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Gagauz, Abkhaz Officials on 'Non-Recognized' Group

LD3006193294 Moscow INTERFAX in English 1858 GMT 30 Jun 94

[Text] During their meeting in Komrat (the capital of the non- recognized Gagauz republic) Gagauzia's leadership and an Abkhaz delegation discussed issues related to the possibility of establishing a Commonwealth of Non-Recognized States.

The press secretary of Gagauzia's parliament Vasily Neikovchen told Interfax that the two sides stressed the need to accelerate work on the creation of such a Commonwealth in order to defend the interests of territorial entities striving for independence.

A delegation from South Ossetia which has recently negotiated on these issues with Transdniestrian leaders is to visit Komrat in the near future. South Ossetia, Chechnya, the Transdniestrian republic, Gagauzia, Abkhazia, and Crimea may become members of this new Commonwealth.

Initiators of the Commonwealth do not rule out that other republics, including those situated outside the former USSR, will join the Commonwealth in the future.

Moldova's deputy Foreign Minister Nikolai Osmakesku called the visit of the South Ossetian delegation to Transdniestria and of Abkhazia to Gagauzia illegal.

"Given international law, the agreements concluded by illegal and non-recognized formations have no juridical force," he told Interfax.

Osmakesku underlined that Moldova's position remains unchanged - the Transdniestrian conflict is Moldova's internal affair and it must be solved by political means under the meditation of the CSCE and Russia.

ITAR-TASS Carries Press Review for 1 Jul

LD0107065394 Moscow ITAR-TASS in English 0456 GMT 1 Jul 94

["Press Review"—ITAR-TASS headline]

[Text] Moscow July 1 TASS—In NEZAVISIMAYA GAZETA, Aleksey Arbatov, director of the Centre of Geopolitical and Military Forecasts, writes that "Russia will never be able to take up an equal position in NATO. As long as the West keeps having doubts and misgivings about a further evolution of Russia, to invite her to the bloc would be tantamount to letting 'a bear into a small hut'. And Moscow, too, having specific interests in some regions, would hardly want to place its security policy and the armed forces under NATO command".

NEZAVISIMAYA GAZETA reports that "Louis Freeh, director of the U.S. Federal Bureau of Investigation (FBI), arrives in Moscow on Saturday. As President Bill Clinton put it, Mr Freeh is the legend of America's law enforcement agencies, a man who exposed a number of most ominous and involved crimes of our time".

ROSSIYSKIYE VESTI reports that "officers of the armed forces of CIS member-countries, together with representatives of other states, will undergo training at U.N. special courses in the Italian city of San Remo. They will study various aspects of the conduct of international operations under U.N. auspices to establish and keep peace in the world's 'hot spots'".

ROSSIYSKIYE VESTI points out that "action against banditry and organised crime, which everyone has long dreamt about, has begun, it seems. And the point is not only in the fact that the presidential decree 'On urgent measures to protect the population from banditry and other manifestations of organised crime' has entered into force.

"Neither an amount of decrees or their contents play a big role in Russia, particularly in post-communist one. The main thing in this country is to act at the command, and the command, in all probability, has been issued. 'We are getting down to action. There will be no idle talk any longer', acting Prosecutor-General Aleksey Ilyushenko stated".

TRUD, referring to Yevgeniy Bychkov, chairman of the Russian Federation committee for precious metals and gems, reports that "Russia sold 680 million dollars worth of polished diamonds last year and 1,300 million dollars worth of rough diamonds". He specified that almost 100 per cent of diamonds are mined in the republic of Sakha (Yakutia). This year about 150 tonnes of gold are to be produced, Bychkov said.

Promising journalists to reveal one of the greatest secrets—a place where the country's gold reserve is kept, the committee chairman said it is located 'far from Moscow, in a settlement'. He did not give a more exact whereabouts.

OBSHCHAYA GAZETA (General Newspaper) carries an interview with Sergey Glazyev, chairman of the State Duma committee on economic policy, who stated: "Society is now divided not so much by ideological or political antagonisms as by politicians themselves: some of them radicalise the situation for the sake of realisation of their theories which are, as a rule, utopian ones while others aim to keep in power for fear of responsibility for crimes that were perpetrated during their period in office. Handfuls of these figures at different poles of the political spectrum are constantly busy stirring up hysteria and confrontation in society".

OBSHCHAYA GAZETA runs an interview with Umar Avturkhanov, mayor of the 'mutinous' Nadterechny district of Chechnya, who emphasised: "People are discontented but they are well aware that Dudayev, who over the past three years led everyone to such a life, is the focus of all evil. Judge for yourself: Groznyy was once one of the world's most polluted cities. Dudayev now has cleared the air from noxious smokes—the entire petroleum industry has come to a standstill. There is no money and there are no jobs. Incidentally, the people are also indignant at the fact that Russia has forgotten about us and left us at the mercy of fate".

OBSHCHAYA GAZETA runs a statement by Bosnian Prime Minister Haris Silajdzic, who said in particular as follows: "The Russian Government and even the Russian Parliament cannot support genocide, killings and concentration camps. Not a single government can support such a policy, even the Serbian one. We gather the impression that your leadership's approach to us has changed. We see that Russia wants a peaceful solution to the crisis, a fair solution which would take into account the interests of all the sides".

RABOCHAYA TRIBUNA carries an interview with Radiy Ilkayev, first deputy research director at the Arzamans-16 federal nuclear centre.

"We have nothing against specific steps to convert the defence industry to civilian uses," Ilkayev said. "We have a lot of technologies which can serve as the basis for the manufacture of quite definite types of equipment: medical, industrial and agricultural...

"But there is one cardinal demand which everyone should understand. Both conversion, fundamental science and military research require a statesmanlike approach and serious state support. We do not see that so far".

PRAVDA runs an interview with Aleksandr Zinovyev, whom it introduces as "an outstanding contemporary philosopher and writer". Zinovyev stated as follows: "I view the Soviet period as the apex of Russian history. Without being an apologist of communism, I regard that period as truly wonderful. Centuries will pass and descendants would study those times with admiration, wondering how so much was done within a surprisingly short period in the country which lived in terribly difficult conditions.

"Yes, there were lots of bad things. There were errors, crimes, and disappointments. All the same, this was the greatest epoch in Russia's history and one of the the greatest phenomena in the history of mankind", PRAVDA quotes Zinovyev as saying.

Yemenis Sign Cease-Fire Agreement in Moscow

LD3006171594 Moscow ITAR-TASS World Service in Russian 1511 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Yuriy Tyssovskiy]

[Text] Moscow, 30 Jun—An agreement on a cease-fire in the Republic of Yemen was signed at a Russian Foreign Ministry residence today. After the ceremony, representatives of the parties involved gave interviews to an ITAR-TASS correspondent and a small group of Arab journalists accredited in Moscow.

"We reached agreement on a cease-fire after persistent and sincere efforts," said Mohammad Salim al-Basindwah, the foreign minister of the Republic of Yemen. "Sanaa announced five unilateral cease-fires, but the other side never followed suit. Anyway, we will do our utmost to implement this agreement and hope that the other side will do the same."

The representative of the South Yemeni leadership, Salim Salih Mohammad, who is deputy general secretary of the Yemeni Socialist Party, stressed that the signature of Russian Foreign Minister Andrey Kozyrev on the document was certainly not dictated by protocol alone. "It was Russia that put forward this initiative as a friend of the Yemenis, and it will continue its consultations with the parties involved," he said. Termination of hostilities was an indispensable step in this tense situation. The withdrawal of the northern forces and their heavy artillery from Aden, which is envisaged by the agreement, will be the subject of discussions today between al-Iryani, the permanent representative of the Republic of Yemen at the United Nations [name and title as received], and al- Attas, our own representative."

In a separate interview with ITAR-TASS, Salim Salih Mohammad declared: "We are satisfied with the outcome and we are grateful to our Russian friends for their efforts. We welcome mediation from any quarter, be it Russia, the United States, Europe, or our Arab brothers. I wish to single out the role played by the Russian foreign minister. The important thing now is that this agreement should be implemented."

In response to questions, Viktor Posuvalyuk, the director of the Near East and North Africa Department of the Russian Foreign Ministry, noted that the agreement might indeed be a diplomatic success for Moscow. But, more importantly, he said, a cease-fire is due to come into effect in Yemen in six hours' time, and this will put an end to the suffering of the Yemenis. The Russian side is prepared to take part, as an observer, in guaranteeing that the agreement is honored. We call on the Amman commission on a settlement, which terminated its work when the hostilities broke out, to resume it now, he said. The tripartite meetings in Moscow and the continuation of bilateral inter-Yemeni contacts have already eased the negotiating process and should help to further invigorate it.

Takes Effect 'Midnight' 30 Jun

LD3006132094 Moscow ITAR-TASS World Service in Russian 1242 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Yuriy Tyssovskiy]

[Text] Moscow, 30 Jun—The talks in the Russian capital between representatives of the warring parties in the Yemeni conflict, mediated by Russian Foreign Minister Andrey Kozyrev ended with the signing of a cease-fire agreement. The northern delegation was headed by Muhammad Salim Basindwah, foreign minister of the Republic of Yemen. The interests of the south were represented by Salim Salih Muhammad, deputy general secretary of the Central Committee of the Yemeni Socialist Party.

Under the accords reached in Moscow, a complete cease-fire will come into force at midnight on 30 June 1994. Furthermore, the sides have reached understanding on the need to continue talks on a complete settlement, the mechanism of which is to be based on resolutions of the UN Security Council, assisted by Lakhdar Brahimi, the UN secretary general's special representative.

In the agreement the parties also commit themselves to grant the International Committee of the Red Cross and other humanitarian organizations unhindered access for the delivery of humanitarian goods to areas of the country that have suffered during the conflict, especially the city of Aden.

Yeltsin Welcomes Yemeni Cease-Fire Agreement

LD3006141394 Moscow ITAR-TASS World Service in Russian 1305 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondent]

[Text] Moscow, 30 Jun—Russian President Boris Yeltsin today welcomed the signing of an agreement on a cease-fire in the Yemeni Republic (Yemen).

A statement by the Russian head of state says: On behalf of the leaders and people of the Russian Federation, I warmly welcome the signing in Moscow today of the cease-fire agreement, reached with Russian mediation. An extremely important step was thus taken toward putting an end to the senseless fratricidal conflict between the Yemeni people.

But this is just the first step. We call on the parties in the conflict not to weaken their efforts to reinforce the cease-fire, to develop a reliable mechanism to monitor its observance, and to begin, without delay, a dialogue to resolve their problems with UN assistance.

In offering its services to the Yemeni people, Moscow is not only relying on the victory of common sense but also on the huge potential of the friendship that has developed between the Russian and Yemeni peoples over the decades. Russia confirms its readiness to continue to do its utmost to help finally bring the situation back to normal.

Kozyrev Says Cease-Fire To Boost Peace Process

LD3006130694 Moscow ITAR-TASS World Service in Russian 1215 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondents Yuriy Kozlov and Yuriy Tyssovskiy]

[Text] Moscow, 30 Jun—The signing of an agreement on a cease-fire is, first and foremost, a great success for Yemen since it will save lives in that country and bring an end to the killing of brother by brother. This statement was made here today to Russian and foreign journalists by Russia Foreign Minister Andrey Kozyrev. He was taking advantage of a short break in his negotiations with Yemen Foreign Minister Muhammad Salih Basindwah and the South Yemeni emissary, Salim Salih Muhammad, deputy general secretary of the Central Committee of the Yemeni Socialist Party.

Kozyrev stressed that Yemen was "a close and traditionally friendly country" for Russia, which played an active part in the preparation and adoption of the UN Security Council resolution on a settlement of the Yemen conflict. The present agreement, Kozyrev noted, was a development of the decisions of the Security Council, whose position on this problem is balanced and an example of constructive cooperation and consideration for the views of all parties. "Of course," the minister concluded, "this agreement will improve the situation in the region and help in the continuation of our efforts to reach a peace settlement for the Near East as a whole."

Reportage on Indian Prime Minister's Visit

Yeltsin, Rao Sign Declaration

LD3006154294 Moscow INTERFAX in English 1319 GMT 30 Jun 94

[Text] Russian President Boris Yeltsin and Indian Prime Minister Narasimha Rao signed a declaration on the defense of interests of multi-national states in the Kremlin today.

The parties stated "with all responsibility" that it was inadmissible to stir up inter-ethnic and inter-religious discord or to encourage aggressive nationalism and religious fanaticism. The two countries are convinced that "destabilization of relations between ethnic and religious groups, any attempts to deport them, ethnic cleansing, encouragement of terrorism, knowing no state borders and dictated by selfish interests, can only lead to the destruction of everything positive and constructive which humankind has acquired during its multi-thousand-year evolution."

"Russia and India display their conviction that large multi- national states bear special responsibility for the destiny of hundreds of millions of people," the document said.

On the same day Boris Yeltsin and Narasimha Rao signed a "Declaration on Further Development and Expansion of Cooperation Between Russia and India." This declaration says that Russia and India share views on global and regional issues. The parties confirmed their intention to continue close cooperation.

The leaders of the two countries said they were vitally interested in peace and stability on the territory between the borders of Russia and India.

The two leaders said they were concerned over the continuing bloody conflict in Afghanistan and its negative impact on the neighboring countries. They called for urgent political settlement of this conflict.

The Russian and Indian leaders said they were also concerned over the continuing tension on the Tajik-Afghan border and spoke in favor of constructive interaction in order to resolve the existing conflicts in the whole Asian-Pacific Region.

Russia and India are ready to cooperate with each other and with any other countries in order to struggle with terrorism, including terrorism backed from abroad and in order to fight sabotage and international crime.

The document said that the two countries were ready to cooperate in order to develop their economy, including cooperation on joint projects in the sphere of laser technologies, new-generation jets, information technologies and peace research and development of space.

Russia and India agreed to continue to develop military-technical cooperation, including establishment of joint ventures for export to third countries.

Yeltsin Speaks at Reception

LD3006184594 Moscow ITAR-TASS World Service in Russian 1702 GMT 30 Jun 94

[By an ITAR-TASS correspondent]

[Text] Moscow, 30 Jun—The Russian Federation president's press service has issued the full text of Russian Federation President Boris Yeltsin's speech at the state reception in honor of Indian Prime Minister P.V. Narasimha Rao:

Esteemed Mr. Prime Minister, Esteemed Mrs. Vani Devi, Esteemed members of the Indian delegation:

I am glad to welcome you to the Faceted Chamber of the Grand Kremlin Palace. By tradition, we receive our dearest guests in this hall. Today, for the first time, the new, democratic Russia is welcoming here the head of the government of friendly India.

Mr. Rao is well-known to people in Russia. We hold in high esteem, Mr. Prime Minister, your part in strengthening Russo-Indian relations and in advancing our cooperation to fundamentally new levels.

People in Russia know how much you have done to carry out total economic reform in India and to modernize your country. Russia is also now experiencing a difficult and crucial period of profound transformation. The switch to a

market economy and the privatization of state property are now proceeding at full speed.

Constructive interaction between the president, the government, and the Federal Assembly is being consolidated. The main thing is that we have managed to alleviate the confrontation in society. This has resulted in the signing of the Treaty on Social Accord. It reflects the new political climate that is taking shape in our country.

People in Russia note with gratitude that our fundamental transformations are meeting with an amicable response from you in India. Moral support from our longstanding friend and partner is extremely important. For our part, we welcome the efforts of India's government and people to reform the economy, ensure social harmony, and strengthen national unity and state sovereignty.

Esteemed Mr. Prime Minister, in our foreign policy, we do not for one second forget about its eastern, Asiatic thrust. This applies fully to relations with your great country.

We well remember the bidding of the Russian reformer Petr Stolypin, who warned: "By cutting off one head from our two-headed eagle, the one facing eastwards, you will not turn it into a one- headed eagle, you will only make it shed blood."

Contradictory processes are taking place in Asia. They do not fit into the usual patterns. With the end of the Cold War, new and unprecedented opportunities for broad and mutually beneficial cooperation have appeared here.

There is a growing desire among the Asian states for integration, especially in the economic, scientific, and cultural fields. Practical consideration is being given to strengthening the climate of trust and to working out the international mechanisms needed for that.

At the same time, Asia still remains an area with high conflict potential. New challenges to security and stability on the continent are appearing.

The danger of aggressive nationalism, religious extremism, and separatism is intensifying. Territorial problems are no less serious. The threat of nuclear weapons and missile technology proliferation in Asia makes these tendencies even more dramatic. Our two countries are of particular importance in warding off threats to peace and security in Asia.

Both Russia and India are among the world's major multiethnic states. Their internal stability, territorial integrity, and dedication to democratic values are one of the key factors for global peace.

We have adopted the Moscow Declaration on protecting the interests of multiethnic states. Here we are talking about more than merely a multitude of peoples, ethnic groups, and religious communities living together.

We recognize as particularly valuable their mutual enrichment, joint progress toward a worthy life, and prosperity and significant contribution to world civilization. It is in this that I see the main spirit of the document signed.

Respected Mr. Prime Minister, recent events have shown that neither changes in the world nor internal changes in our countries can influence the shared aspiration of Russia and India toward active cooperation. This is based upon the coincidence of long-term national interests.

I would particularly like to speak about cooperation in trade and the economy and in science and technology. The potential is ever increasing. During your visit, we have together discovered new possibilities for implementing it.

An impressive package of agreements, particularly the declaration on further developing and expanding cooperation between Russia and India, has been signed. The situation for increasing investment activity in Russia is now more favourable than at any other time during the period of reform. June inflation will not exceed 5.5 percent. It has become not only manageable, but predictable. Investors have gained greater access to credit resources. A modern and stable legal basis is being laid for investors.

Russia is providing good opportunities for investments by Indian businessmen. We do not intend to lose your country's expansive market for Russian investments and goods either.

I believe the expansion of our contacts in the area of science and technology to be promising. India is third in the world in terms of the number of personnel engaged in science and technology. This alone says a lot.

The tasks facing our countries are in many respects the same: to mobilize resources for development, lower the budget deficit and balance of payments, keep inflation low, restore lossmaking firms to good health, and raise the competiveness of the economy as a whole. I am certain that we can achieve much by working together closely.

Russia and India were always close and good neighbors. We need to protect and strengthen the feelings of mutual warmth and liking between our peoples. Then the future of our children will definitely be more just, secure and peaceful.

Ladies and gentlemen, allow me to offer a toast.

Good health, success, and prosperity to the prime minister and his wife Vani Devi. Good health to all present.

May the friendship and overall cooperation between our countries be strengthened. Happiness and prosperity to the peoples of India and Russia.

Yeltsin on Investment Climate

LD3006163294 Moscow INTERFAX in English 1426 GMT 30 Jun 94

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[Text] Constructive engagement between the President and Federal Assembly is building up, Russian leader Boris Yeltsin said at a Kremlin reception hosting visiting Indian Prime Minister Narasimha Rao on Thursday. "More

importantly, we have managed to defuse confrontation in the society. As a result, the Civic Accord was signed. It reflects the newly-emerging political climate in the country", Yeltsin said expressing satisfaction over India's positive response to fundamental reforms in Russia.

On Russia's foreign policy, Yeltsin said its Asian direction was always in the focus of the Russian leadership's attention.

He spoke of contradictory processes going on in Asia which were out of the usual framework. On the one hand, with the end of the cold war period in Asia, "new unprecedented opportunities for wide- ranging cooperation have emerged", he said. Yeltsin spoke of the regional drive for integration and greater confidence building with appropriate international mechanisms being worked out to this end.

At the same time, he said, Asia has remained a highly volatile region where the threat of aggressive nationalism and separatism builds up and territorial disputes show no signs of subsiding. "The threat of proliferation of nuclear weapons and missile technologies makes these trends even more dramatic", Yeltsin believes. At the same time, he pointed to a special role that both Russia and India played in countering the threat to peace and security in the continent.

The Russian leader went on to say that "the identity of long-term national interests" was behind the two countries' drive for an active cooperation with each other. At the same time, he pointed to the significance of bilateral trade- economic and scientific- technological cooperation whose potential was "on the increase".

Yeltsin praised the package of agreements the two countries had signed, including a declaration on further cooperation between Russia and India.

He described the country's investment climate as the best over the period of reforms pointing to good investment opportunities in Russia for Indian businessmen. In his words, this month's inflation will run at 5.5 percent, "not only has it become manageable, but also predictable".

The president said that Russia did not want to lose India's extensive market for Russian investment and exports either.

He pointed to the common tasks facing the two countries including "mobilization of resources for development, lower budget deficit and balance of payment, lower inflation, reinvigoration of loss-making businesses and higher competitiveness of the economy". Yeltsin expressed confident that Russia and India could achieve a lot by working together. IF Note: The cooperation declaration Yeltsin and Rao signed on Thursday speaks of the two countries' readiness for economic cooperation including joint research and development of lasers, laser technologies, new generation aircraft, data processing technologies and peaceful research and exploration of outer space. Agreement was also reached to build up efforts on further military- technological cooperation including the creation of joint ventures whose exports could be oriented at third countries.

Delhi Reports Defense Pact

BK3006131394 Delhi All India Radio Network in English 1230 GMT 30 Jun 94

[Text] India and Russia have expressed concern over the rising trend of aggressive nationalism, religious, and political extremism, terrorism and separatism, saying these pose grave threat to global peace and stability. The two political declarations signed by Mr. P.V. Narasimha Rao and Russian President Mr. Boris Yeltsin in Moscow today say that destabilizing religious harmony, ethnic cleansing, and promotion of trans-border terrorism destroy all positive human values.

AIR [All India Radio] special correspondent, Inderjit Bahel, covering the prime minister's visit, reports that the main thrust of the two documents is on protecting the rights of pluralistic society and reflecting the aspirations of the people of the two countries. They also spelled out the common interests and perceptions of the two countries. It adds that Russia and India are determined to protect the cultural and religious diversity of their societies. Our correspondent says that Moscow Declaration on promotion of interests of pluralistic countries is, perhaps, the first such document to be signed between the two countries. The declarations also reiterated that military and technical cooperation between India and Russia is not aimed against any third party.

Immediately after signing the declarations, Mr. Narasimha Rao and Mr. Yeltsin told newsmen that the agreements and declarations have brightened prospects of future bilateral relations.

Both the countries also decided to set up an India-Russian aviation company for servicing and maintenance of aircraft of Russian origin in India and third countries. It will have an authorized capital of $400 million with the participation of two Indian and four Russian firms. The protocol to this effect was signed by the delegations of the two countries in Moscow today.

In another protocol on defense cooperation, Russia agreed to extend $830 million credit to India up to September 1996.

Seven other agreements were also signed today in diverse fields like science and technology, tourism, exploration and use of outer space for peaceful purposes, information technology, meteorology, environment and standardization.

In the morning, the prime minister held one-to-one talks with President Yeltsin lasting over 50 minutes.

Rao, Chernomyrdin Discuss Arms Deals

LD3006152994 Moscow ITAR-TASS World Service in Russian 1420 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondents Gennadiy Yezhov and Sergey Spitsin]

[Text] Moscow, 30 Jun (ITAR-TASS)—Russian-Indian military- technical cooperation was discussed in detail during today's talks between Viktor Chernomyrdin, chairman of the Russian Federation Government, and Indian Prime Minister Narasimha Rao.

As we know, the world's biggest aircraft manufacturers are hoping to win the order to modernize the Indian air force's MiG-21 fighters.

Answering a question from ITAR-TASS at a news conference after the Russian-Indian talks, Indian Prime Minister Narasimha Rao said decisions on specific aspects of Indian cooperation with Russia in the field of military equipment might be taken in the near future.

Referring to the problem of debts owed to each other, Viktor Chernomyrdin stressed that at the talks both sides reiterated that this issue is not at present a determining factor in the development of Russian-Indian relations. Russia is prepared, the Russian Federation premier said, to settle its share of the debt through building power stations (both nuclear and hydroelectric) in India. For its part, the Indian side is willing to take part in a large construction project to expand Novorossiysk seaport.

Russia, India To Cooperate in Military Spares Production

LD3006192394 Moscow INTERFAX in English 1752 GMT 30 Jun 94

[Text] Russia and India will cooperate in the manufacture of spares for the Russian military hardware owned by the Indian armed forces.

Viktor Puzanov, a top manager of the Moscow Aviation Company MAPO, said at a news conference in Moscow Thursday that an agreement had been signed with India on setting up a private aircraft building joint venture.

Its founders are four Russian and two Indian organizations. The Indians will own 52 percent of the shares, MAPO, 27 percent and other Russian organizations, the remaining 21 percent.

Sixty percent of the Indian army's hardware was manufactured in Russia.

Puzanov also said that MAPO was engaged in negotiations with Thailand, Germany, Chile and South Korea on delivery of MiG-29 jets. He did not deny that interest in the Russian military hardware had increased since the signing of a deal with Malaysia under which Russia would deliver 18 MiGs to that country for a total of about $600 million.

Puzanov said that the MiGs were better in every respect than U.S., French, British and Chinese jets of the same kind.

He added that an agreement might be concluded with European countries on the development of a Eurofighter. The specifications of the MiG-29 which is manufactured serially in Russia are now better than those of the Eurofighter. The MiG is sold at a competitive price of $24-25 million.

Karasin Says Chemical Weapons Allegations 'Groundless'

LD3006153294 Moscow ITAR-TASS World Service in Russian 1217 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 30 Jun—The allegations that Russia is concealing figures concerning production of chemical weapons are groundless. Grigoriy Karasin, head of the press and information department, told a briefing today. At the same time he said that some of the media in the West, citing representatives of the U.S. Administration, are circulating reports that Russia allegedly continues to hide materials regarding its military and chemical program.

On the basis of the intergovernmental memorandum on chemical weapons, G. Karasin said, Russia and the United States exchanged reports on their respective military and chemical potentials last May to strengthen their mutual trust. At present each side is studying and analyzing the materials received. Following this, Russia and the United States, in accordance with the memorandum's provisions, will carry out five inspections of each other's sites. He also said that the Russian experts are now challenging a number of points that are unclear in the reports received from the American side.

Aide on 'Extremely Reliable' Nuclear Security Measures

PM3006194594 Moscow KRASNAYA ZVEZDA in Russian 1 Jul 94 p 1

[Report by Vadim Markushin: "Criminals Will Not Get Their Hands on Our Nuclear Bomb"]

[Text] If anyone thinks that he is already living in the era of a radically reduced nuclear threat, he cannot be thinking seriously. That was the thrust of what CIA Director James Woolsey said the other day. In his opinion, nuclear warheads could be a target for the Russian mafia's criminal trade.

Another U.S. department—the FBI—is also seriously concerned about the problem of preventing the theft of nuclear weapons. FBI Director Louis Freeh and a number of other high-ranking U.S. Administration representatives are arriving in Moscow 2 July to put forward a concrete plan of joint actions to combat organized crime.

Just how real is the possibility that Russian terrorists will be able to seize nuclear warheads if they really want to?

Answering this question, Academician Sergey Zelentsov, a consultant to the Russian Federation Defense Ministry, said:

"The system for the protection of nuclear munitions is echeloned and extremely reliable. Access to them is multilayered. It is virtually impossible for outsiders to get to the warheads. The transport of nuclear munitions is also properly organized. There are special formations in a high state of readiness to thwart any attempt to seize them. To date there has not been a single loss from the nuclear arsenals."

Background to Freeh-Led Delegation's Visit Eyed

PM3006120194 Moscow IZVESTIYA in Russian 30 Jun 94 p 2

[Article by Vladimir Ivanidze: "American Special Services: Everyone Into the Struggle Against the Russian Mafia!"]

[Text] A high-ranking American diplomat has told journalists in Moscow that FBI Director Louis J. Freeh will be bringing to Russia specific proposals on combating organized crime. If successful the FBI director's visit to Russia could be the start of an all-out offensive against the international mafia.

Addressing a news conference at the Russian-American Press Center, the diplomat said that the delegation of leaders of U.S. special services and the State Department will arrive in Russia 2 July and endeavor to conclude agreements with Internal Affairs Minister Viktor Yerin and Federal Counterintelligence Service Director Sergey Stepashin.

A press release issued by the FBI says that "main attention during the talks will be paid to:

"—stepping up security measures to prevent the theft of nuclear and nuclear materials from Russia and other parts of the former Soviet Union;

"—joint efforts against organized crime and drugs trafficking, particularly against the organized crime groups which have recently emerged in Russia and Eurasia...."

Louis Freeh will be accompanied on the trip to Russia by the following: Ronald K. Noble, assistant secretary (enforcement) at the Treasury Department; Stanley Morris, director of the center for the prevention of financial crimes; Ambassador Robert Gelbard, assistant secretary of state for international cooperation in combating narcotics; and Thomas Constantine, leader of the Drug Enforcement Administration.

Judging by the makeup of the delegation, the Americans attach great weight to financial crimes. This is also borne out by the fact that U.S. Secret Service Director Eljay Bowron will also be at the talks in Moscow. This organization has two basic duties—protecting the U.S. president and catching counterfeiters.

It should be noted that Russia is not the only country which interests the law-enforcement agencies. The U.S. delegation will be visiting another eight countries in Central and East Europe with the same objective, the only difference being that it will spend one day in Germany, the Czech Republic, the Slovak Republic, Hungary, Poland, Ukraine, Austria, and Lithuania (with the participation of representatives of Latvia and Estonia) respectively, while the delegation will stay four days in Russia. This is yet another sign that it is the "Russian mafia" which causes the Americans the greatest disquiet.

However, FBI Director Louis Freeh (aged 44) would least of all wish to focus attention on this fact.

"I stress, I do not blame Russia for the growth in organized crime. Organized crime was an everyday fact of life in the Soviet Union long before the new Russia existed."

He uttered these words just prior to his trip during an address to the U.S. Congress Standing Subcommittee on Investigations. Nevertheless, while explaining to subcommittee members the point of his upcoming talks, Mr. Freeh did observe that criminal groups from Russia and Eurasia pose a threat to U.S. security and prosperity.

"This has now become our problem to the same extent that it is the problem of Russia and a number of other other states," the FBI director stated in Washington.

The FBI will open an office in Moscow at the start of July. A small team of staffers will collect information on organized crime and participate in joint investigations.

Hitherto Moscow and Washington have exchanged information on specific crimes only sporadically. It is obvious that the Americans are urgently in need of more extensive information, as active members of criminal groups are entering the United States unimpeded after obtaining "clean" documents.

Checking out these people before granting entry visas is pointless in most cases. The American Consular Service can ask them a thousand times if they have a criminal record and a thousand times they will receive the answer "no."

Only after the police discover a corpse with a bullet through the head somewhere in Brighton Beach will the American special services find out that a Russian citizen is a criminal.

Kozyrev Arrives in Tbilisi; To Visit Conflict Area

LD3006191594 Moscow INTERFAX in English 1752 GMT 30 Jun 94

[Text] The Russian Foreign Minister Andrey Kozyrev arrived in Tbilisi on Thursday evening. The press-service of the Georgian head of state said that Eduard Shevardnadze will receive Kozyrev later today.

On Friday Kozyrev plans to fly to the area of the Georgian-Abkhaz conflict to meet with the commanders of the Russian peace-keeping force.

Kozyrev's visit to Tbilisi is officially linked with the meeting of the foreign ministers of the Black Sea countries.

Kozyrev Expecting UN Backing for Abkhazia Peace Efforts

LD3006164194 Moscow INTERFAX in English 1420 GMT 30 Jun 94

[From the "Diplomatic Panorama" feature: By correspondents Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Russia's Foreign Minister Andrey Kozyrev criticized the position of "Russia's partners" in the Security Council as contradicting the spirit of real partnership.

Asked by Interfax to comment on the UN attitude toward the introduction of CIS peace-keepers in Abkhazia, he voiced displeasure with the way the Security Council was considering the problem. "Such an approach contrasts with our approach to the issues concerning the interests of our partners in the Council," he said.

Kozyrev said he hoped that Moscow would not have to resort to its veto in the UN Security Council either now or in the future, and that will make it possible "to keep the balance of strength there intact and avoid double standard." He also hopes that the currently debated Security Council's resolution will pledge support for the efforts of Russia and the rest of CIS to bring peace to Abkhazia and settle its conflict with Georgia.

He stressed that Thursday afternoon he would be going to Georgia's capital Tbilisi and from there to Abkhazia to see how the peace-keeping mission was proceeding on the spot.

Kozyrev gave a brief interview in Moscow after a short recess in the Russia mediated negotiations between representatives of the two Yemeni states in Moscow.

Asked how significant the ceasefire agreement worked out at the talks was, Kozyrev voiced the view that it would be instrumental for stability in the region as a whole. "But above all it cares about the people in Yemen, which is traditionally close and friendly toward us," he remarked.

At the end of their negotiations, Muhammad Basindwah of North Yemen and Salim Salih Muhammad of South Yemen agreed to cease military hostilities in that country.

Grachev Concerned About Georgian-Abkhaz Conflict Zone

LD3006164794 Moscow INTERFAX in English 1319 GMT 30 Jun 94

[Text] Russia's Defense Minister Pavel Grachev told Interfax on Thursday that he would make a final decision about taking a trip to the zone the Georgian-Abkhazian conflict after he listened to a report by his deputy Colonel-General Georgiy Kondratyev about the situation in the region.

"If my interference is necessary I will fly out to Sukhumi on Friday," he said.

He expressed concern about the situation in the conflict zone but noted that he did not intend to change the route of his trip to the North Caucasian military district.

On Thursday, Grachev arrived in Anapa and inspected the Black Sea coast by helicopter. He said that he was planning to dispatch new Russian military units in this region which will "fulfill additional tasks."

On the same day, Grachev intends to go to Stavropol. According to his itinerary on Friday he is to fly out to Makhachkala.

Russia Welcomes Election of Japan's Prime Minister

LD3006170194 Moscow INTERFAX in English 1529 GMT 30 Jun 94

[Text] The Russian leadership "respects the will of the Japanese people and welcomes the election of Tomiiti Murayama to the post of the Japanese prime minister," Russian Foreign Ministry spokesman Grigoriy Karasin declared at a briefing in Moscow Thursday.

He said the Russian Government is convinced that the new head of the Japanese Cabinet of Ministers will not only support "the present progressive development" of bilateral relations but will bring "new impulses and personal interest" into them.

Karasin believes that this will help "to develop Russian-Japanese relations for the well-being of both countries and to solve all problems especially in the field of trade and economic cooperation."

Moscow 'Satisfied' With Korean Summit 25-27 Jul

LD3006144794 Moscow ITAR-TASS World Service in Russian 1415 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 30 Jun—Moscow is satisfied with the news of the agreement reached between North and South Korea on a meeting between Kim Il-sung and Kim Yong-sam in Pyongyang on 25-27 July, Grigoriy Karasin, head of the Russian Foreign Ministry press and information department said at a briefing today.

"We hope that the first meeting in history of the North and South Korean leaders will establish the basis for moving towards relieving tension on the Korean peninsula, establishing trust between the two Korean states, and finally overcoming the tragedy of the split between the two nations. We believe that this would remove one of the most dangerous threats to stability in Asia and in the world as a whole," the Russian diplomat stated.

Moscow's Bid for International Korea Talks Seen Doomed

MK3006091094 Moscow KOMMERSANT-DAILY in Russian 30 Jun 94 p 4

[Report by Natalya Kalashnikova: "North Korea's Nuclear Arms Problem. Pyongyang Will Be the Venue for a Meeting Between Kim of the South and Kim of the North"]

[Excerpts] Campaigning continues in the Russian Foreign Ministry for convening an international conference on nuclear security on the Korean Peninsula. Meeting with his Chinese counterpart Qian Qichen 28 June, Andrey Kozyrev talked about this initiative's relevance. His deputy Aleksandr Panov even described it as nearly the only chance to settle the conflict. Meanwhile, the North and the South have made their own, sensational decision. Representatives of Seoul and Pyongyang agreed in the course of the consultations that ended yesterday on the first meeting between their presidents in the history of both Koreas. [passage omitted]

The Washington-Pyongyang-Seoul triangle clearly leaves no room for Moscow. Mr. Panov's assertion to the effect that should the American-North Korean talks fail, there will be no alternative left to convening an international conference on Korea, raises some doubt. First, an alternative has already been defined by the Koreans themselves—an inter-Korea summit. Second, should the U.S. mediation mission fail, Pyongyang would most probably "fly off the handle" under the slogan of yet another stage of war on imperialism. In which case, even the most representative conference would only produce hot air.

Foreign Ministry Criticizes Turkey's Black Sea Rules

LD3006140594 Moscow ITAR-TASS World Service in Russian 1326 GMT 30 Jun 94

[By ITAR-TASS diplomatic correspondent Boris Krivoshey]

[Text] Moscow, 30 Jun (ITAR-TASS)—The Russian side, as one of the main "users" of the straits, fully shares Turkey's concern with the problem of ensuring safety of navigation in the Black Sea straits and supports the adoption of measures with this regard. This is stated in a memorandum of the Russian Federation Foreign Ministry forwarded in Moscow today to the Turkish Embassy in connection with Turkey's introduction of its national rules and regulations governing navigation in the Black Sea straits, a news briefing was told today by Grigoriy Karasin, director of the Russian Federation Foreign Ministry's information and press department.

At the same time, he noted, the new navigation rules exceed the framework for the solution of this important task, introducing unjustified restrictions, including a complete shipping ban in the straits which is in direct contravention of the convention on navigation in the straits. "Freedom of navigation in the Black Sea and the Black Sea straits has primary importance for the Russian economy and for other Black Sea countries. In this connection the Russian side has repeatedly made clear that we are unable to recognize the introduction of procedures which essentially amount to having to ask for authorization to cross the straits and unilateral restrictions, up to and including a de facto ban on such crossings for certain categories of vessels as legally binding," said G. Karasin.

The Russian Foreign Ministry memorandum expresses serious concern over the development of the situation around the Black Sea straits and called on the Turkish side to refrain at this stage from applying those provisions of the rules which run counter to the universally recognised principles and norms of international law on the sea, the Russian diplomat emphasized.

Kostikov on Yeltsin Vow To Defend Russians in Latvia

LD3006142894 Moscow ITAR-TASS World Service in Russian 1355 GMT 30 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow, 30 Jun—In response to the news that the Latvian president has returned the citizenship law, which discriminates against the Russian-speaking community, for reconsideration by the Latvian Saeima, Vyacheslav Kostikov, the Russian president's press secretary, said: "Boris Yeltsin hopes, in view of the determination he has expressed, that Guntis Ulmanis will not sign this odious document."

At today's briefing in the Kremlin, Kostikov, acting on instructions from Boris Yeltsin, expressed hope that "common sense will prevail in Latvia, and the Saeima deputies will heed the concern felt by the president and lawmakers of Russia over this." The press secretary recalled that Russian Federation Council had appealed to the CSCE in defense of the rights of the Russian- speaking community in Latvia and said that the Russian president fully supported this appeal.

As regards the possibility that the discriminatory law might be "pushed through" the Latvian Saeima, Vyacheslav Kostikov said that the Russian president "asked me to avoid using the word 'sanctions' regarding Latvia, but stressed that Russia has the means and the will to defend its citizens' interests in the near abroad."

Foreign Ministry Hopes for 'Reason' on Citizenship Law

LD3006171894 Moscow INTERFAX in English 1420 GMT 30 Jun 94

[From the "Diplomatic Panorama" feature: By correspondents Igor Porshnev, Yevgeniy Terekhov and others]

[Text] The Russian Foreign Ministry voiced hope that Latvian lawmakers would display reason when resolving the issue concerning non-citizens living in Latvia.

Russian Foreign Ministry's Spokesman Grigoriy Karasin said at a briefing in Moscow today that Riga had begun to listen to the world community which practically unanimously disapproved of the law on citizenship adopted by the parliament, especially of its most odious discriminating provisions.

As it was earlier reported, Latvian President Guntis Ulmanis returned the law to the parliament for additional scrutiny on the recommendation of the largest parliamentary faction Latvian Path and the government.

Karasin said that it was remarkable that the CSCE, the EU, other international organizations and experts and the leaders of other countries had stated similar positions from the legal point of view practically simultaneously.

He added that Moscow hoped that international organizations would continue to be persistent in the future in demanding that Latvia respect and implement their recommendations on the standards of international law. Karasin voiced hope that the countries traditionally interested in normalization of Russian-Baltic relations and in defense of human rights would make a contribution to this. Karasin said he believed that the visit of U.S. President Bill Clinton to Latvia planned for July 6 would be of great importance given the present situation.

Russia will be attentively following the developments and will base its policy towards Latvia taking into account the norms regulating acquisition of Latvian citizenship by Russians living there, Karasin stressed.

West Accused of One-Sided Approach to Bosnia

PM3006160594 Moscow KRASNAYA ZVEZDA in Russian 30 Jun 94 p 3

[Report by Sergey Sidorov: "Story of Gorazde Repeats Itself"]

[Text] The Bosnian Muslim army is continuing its offensive across almost all fronts where there is conflict with the Bosnian Serb forces. Moreover, the intensity of the fighting has reached the level that preceded the conclusion of the truce in Geneva 8 June. According to reports from UN headquarters in New York, the organization's official representative Fred Eckhard has been forced to acknowledge this. Citing reports and assessments by the commanders of UN forces in the former Yugoslavia, Ekkhard expressed concern that the situation could become even worse in the event of "the Serbs' deciding to launch a counteroffensive."

Although well-planned attacks by Muslim formations have been continuing for over a week, reaction from the UN side, and primarily the Security Council, has hitherto been extremely muted. Despite the fact that UN military observers in Bosnia gave prior warning that a massive offensive was being prepared by the Muslims.

If we were to adopt a naive pose, we might start asking rhetorical questions: Where does the Security Council look when the Western democratic press falls silent...? Double standards would be hard to prove if the example of the events around Gorazde were not still fresh in our minds: The Western alliance completely ignored provocations committed by troops from the Muslim community, but at the same time its reaction to the countermeasures taken by the Serbs was harsh and even involved the use of NATO military aircraft. Apparently the summer offensive by the Bosnian Muslim army has the same objective as the spring offensive—to provoke the Serbs to take countermeasures and thereby embroil them in another "punishment" inflicted by NATO military strength. It is quite amazing that the West is continuing to play this game, despite the fact that the authorities in Sarajevo are openly talking about extending the war to the remaining parts of Yugoslavia (Serbia and Montenegro), menacing the West with a wave of terrorism if the West stops supporting the Sarajevo regime.

Vorontsov Warns of 'Critical' Situation in Bosnia

LD0107091094 Moscow ITAR-TASS World Service in Russian 0144 GMT 1 Jul 94

[By ITAR-TASS correspondent Boris Sitnikov]

[Excerpts] United Nations Organization, 1 Jul—The Bosnian Muslims have crudely violated the cease-fire agrement in Bosnia- Herzegovina and have gone over to a large-scale offensive against Serbian positions in all the main areas, which could be described as the start of a war. If urgent measures are not taken the whole Bosnian settlement process could be threatened. This was stated by Yuliy Vorontsov, permanent Russian representative at the United Nations, speaking on Thursday at closed consultations in the UN Security Council. [passage omitted]

Yu. Vorontsov noted the restraint being shown by the Serbs, who have so far restricted themselves to purely defensive actions. However, he pointed out that their patience had reached breaking point. If the Muslim offensive goes on for a few more days then the Bosnian Serbs may go from passive to active defense.

Yu. Vorontsov described the military situation in Bosnia-Herzegovina as "critical" and called for urgent measures to be taken to end the Muslims' combat actions before the situation gets out of control and before it leads to large-scale clashes between the warring sides.

Tajikistan Seen Vulnerable in Ruble Zone Talks

MK3006105094 Moscow KOMMERSANT-DAILY in Russian 30 Jun 94 p 3

[Konstantin Smirnov report: "Dushanbe's Chances Are Falling"]

[Text] Tajikistan Prime Minister Abdudzhail Samadov, who arrived in Moscow yesterday, is going to discuss the republic's accession to the ruble zone. This is not surprising. What is strange is that the visit is private, although the Tajik side originally hoped that the negotiations would proceed at an intergovernment level. This fact is fairly eloquent: Tajikistan's joining the Russian monetary system is clearly problematic.

Samadov's main partner in Moscow will be German Kuznetsov, deputy chief of the Russian Ministry for Cooperation [Minsotrudnichestva]. The unofficial character of the negotiations means that the sides are going not so much to address new questions as to clarify "the rules of the game" for Tajikistan's entering the ruble zone. On the positive side of the ruble Anschluss is the May communique between Russian President Boris Yeltsin and Tajikistan Supreme Soviet Chairman Emomali Rakhmonov. But this is merely a protocol of intent. Russia is actively dropping hints that implementation of the stipulated conditions is not enough for merging the monetary systems. Tajikistan is ready legally to grant the Russian Central Bank the function of sole emission center and provide guarantees (including by depositing in Russia part of its gold and hard currency reserves) of conducting a uniform credit and monetary and currency policy shaped by Moscow. But it is also necessary for Tajikistan to create a credit and hard currency market and accumulate the requisite experience.

German Kuznetsov, in a conversation with KOMMERSANT-DAILY's correspondent, thus characterized Tajikistan's experience in financial and credit regulation: "The best CIS monetarists work in Dushanbe." The point of the joke is that monetarism Tajik-style is rather peculiar: There is simply no money in the republic in spite of the fact that on 15 June the last consignment of cash rubles was transferred to Tajikistan as part of the 120 billion credit line opened at the end of last year. Tajikistan's insurance premium for the cash made available constitutes one tonne of gold and 50 percent of stock in the Nurek hydropower electric station. On 1 January 1995 Russia will become owner of this mortgage.

These rubles have failed to satiate the money hunger, owing to a substantial drain to Uzbekistan. Now another solution is being proposed. The first batches of the 330 billion "Tajik rubles" printed in Russia have begun to arrive in Tajikistan. In effect the Moscow negotiations are discussing the necessity for parallel circulation of Russian and Tajik currencies in Tajikistan. Moscow believes that this will allow Dushanbe to improve the republic's economic situation and acquire the experience of conducting a monetary and currency policy. Dushanbe for its part would so far not like to introduce a republic currency because this would stave off its entering the much coveted ruble zone. It has no option, however, and therefore it will once again obey Moscow.

Tajikistan's example shows that Russia continues to pursue a tough credit and monetary policy with respect to the CIS countries. As for the ruble zone, first priority needs to be given to straightening out relations with Belorussia [Belarus], which will not be possible until after the second round of presidential elections in the republic. The other countries, as agreements with Uzbekistan and Kyrgyzstan show, will stop receiving untied credits from Russia. A principle with which Moscow itself is constantly confronted in dealing with Western creditors has been adopted: Now credits are effectively extended to enterprises specified in agreements from which goods are bought with credit funds. Such an approach allows two tasks to be addressed at once: to alleviate the overproduction crisis in Russia, and retain markets in the CIS countries.

Yerin Visit To Switzerland for Advice on Money Laundering

LD3006160394 Moscow ITAR-TASS in English 1239 GMT 30 Jun 94

[By ITAR-TASS correspondent Olga Semenova]

[Text] Moscow June 30 TASS—The main goal of the trip of Russian Interior Minister Viktor Yerin's delegation to Switzerland June 24 was to exchange information with Swiss colleagues on money laundering.

"The Russian saying, 'Secure like in a Swiss bank', no longer applies to money gotten by criminals", ITAR-TASS was told on Thursday by General Valeriy Gorchakov, head of the Interior Ministry's Department of International Ties. "Switzerland recently adopted a law on the fight against organized crime which allows authorities to get information about a certain bank deposit if they have justifiable suspicions that the money was obtained illegally", he said.

That problem is a very real one in Russia, especially since many "domestic" underworld lords and large-scale racketeers loved to store their money and the funds they stole from the government in Swiss banks.

Gorchakov reported that the Russian delegation met with the head of the Swiss Justice and Police Department, Arnold Coller, Federal Procurator Willi Padrutt, the head of the Federal Police Department, and representatives from other related bodies. The two countries' police officials discussed establishing cooperation with the Swiss procurator general's office and the Ministry for Legal Aid in Civil and International Cases.

Although this was the first such contact on the very top level between the Russian and Swiss law enforcement bodies, "we established good working ties a long time ago", Gorchakov said. For example, the Swiss extradited a Mr. Lerner back to Russia on charges that he stole state funds.

During the Russian delegation's visit, the two sides practically finished thier long-standing talks on concluding a memorandum of cooperation which, apparently, will be signed this fall, when Arnold Coller takes up the Russian invitation to visit.

White House Denies Plans for Russian G-7 Membership

PM3006125394 Moscow IZVESTIYA in Russian 30 Jun 94 p 1

[Report by Aleksandr Shalnev: "Washington Has No Plans To Include Russia in the G-7"]

[Text] The Clinton administration has no plans to expand the membership of the G-7 by including Russia or any other countries in this elite group of the world's leading economic powers.

A statement to this effect was made at a briefing session in Washington by a high-ranking White House staffer. True, he recalled that Boris Yeltsin will take part in the discussion of some of the questions on the agenda of the G-7's next meeting in Naples in July. In the spokesman's words, this is radically different from the summits of past years, when Yeltsin or Mikhail Gorbachev "were invited simply to make a statement."

But, the White House staffer went on, despite all this, the G-7 will remain the G-7. "We are entirely satisified with it the way it is now."

The civil servant stated that the West is "most impressed" with the way reforms are advancing in Russia, and in particular with the progress of privatization. But, he added, "we do not believe that Russia's economic development has advanced far enough" for the question of its full membership of the G-7 to be examined seriously.

World Bank Grants $500 Million Loan to Industry

LD3006162394 Moscow ITAR-TASS in English 1328 GMT 30 Jun 94

[By ITAR-TASS correspondent Andrey Loshchilin]

[Text] Washington June 30 TASS—The World Bank on Wednesday approved the granting of a 500-million-dollar loan to modernise the oil and gas industry of Western Siberia.

The loan brings lending to Russia to 1.5 billion dollars during the bank's 1994 fiscal year, which ends Thursday.

"Russian Prime Minister Viktor Chernomyrdin recently confirmed Russia's interest in getting a loan for investment in the specific components of the reform programme and for the determination of priority measures to implement it," World Bank President Lewis T. Preston said.

"This loan reflects progress in establishing a market pricing system in the energy sector and a legal basis for private capital investments in the development of oil and gas resources," Mr Preston said.

"Russia has made considerable strides in lowering the inflation rate and limiting crediting. The State Duma's responsible approach to a government budget is a very reassuring sign. Much is yet to be done but, it seems, the Duma people have come to realise the importance of stability for a broader influx of investments and economic growth," the World Bank president pointed out.

The World Bank's 500-million-dollar loan is repayable in 17 years. This money comes from a section of the World Bank called the International Bank for Reconstruciton and Development, which lends only to governments.

The loan is provided for three producer associations in Western Siberia—Megionneftegas, Tomskneft and Yuganskneftegas—for developing operationally the still undepleted deep wells, changing the infrastructure and abating environmental polution in the area of oil and gas fields, and delivery of the newest well-drilling and pipeline equipment.

It has been estimated that the realisation of the project will result in a 8.3-million-tonne increase in the annual oil production in Western Siberia, which will bring in an additional revenue of about 900 million dollars. The Russian Federation is to begin to repay the loan in five years' time.

The World Bank's International Finance Corporation, which lends money to private industry, announced on Wednesday its 57.5 million dollar loan for the development of the Akshabullak oil field in Central Kazakhstan.

A similar-amount loan is expected to be granted to a Kazakhstan- German joint venture, which is in charge of the project, by the European Bank for Reconstruction and Development, and yet another 75 million dollars are to come from Germany.

The production of oil at Akshabulak in commercial quantities is scheduled to begin in mid-1996.

Gaydar Attends New York Conference 'Investing in Russia'

LD0107102094 Moscow ITAR-TASS in English 0956 GMT 1 Jul 94

[By ITAR-TASS correspondent Mikhail Kolesnikov]

[Text] New York July 1 TASS—"Investing in Russia: The Metamorphosis of a Giant," is the name of a major conference which closed up shop today in New York's Plaza Hotel. The two-week forum, organized by the Investment Management Institute, drew together top officials in America's leading retirement and investment funds and treasurers from insurance companies and bank investment departments to discuss the investment climate in Russia, current problems, and possible solutions.

"At present, the political climate in Russia is more favourable for investing by American companies than it was one year ago," about sums up the atttitude of practically every participant in the conference.

There were 24 speakers, who presented reports on such topics as the legal basis for investments in Russia, the political situation, ways to minimize risk, the evaluation of potential projects, the adoption of accounting standards, various mechanisms for investments, and real estate purchases. Five companies who are already working in Russia sent representatives to the forum to talk about the problems they have encountered and the ways they have been (or not been) resolved.

Steven Holliwell, president of the Russian-American entrepreneurship fund, told ITAR-TASS that a big boom in American investments in Russia was expected in the

next several years. He reported that the U.S. Government, anticipating such growth, has already formed several large investment funds charged with handing out direct, subsidized credits for the financing of promising Russian-American projects.

Of course, Holliwell said, the transition period is far from over. But even now there is much less political risk, which has been the main obstacle to American capital's entry into the Russian market. The United States is now beginning to realize that it missed a great opportunity a couple of years ago to take a dominant position in the competition for Russia's markets between the world's leadind industrial powers, the American said.

The same thought was echoed by Yegor Gaydar, leader of the Russian State Duma faction Russia's Choice, who took part in the New York conference. "America is already catching up to its West European and Asian rivals in the scale of their business activity on the Russian market," he said. "A significant growth in American investments was noted at the beginning of this year, as soon as a new constitution was adopted in our country. The basic "fear factor" among American businessmen, who were unsure who was responsible for what and who answered to whom, has disappeared. Now, the Constitution gives the answers to all those questions," Gaydar claimed.

"At the current stage in the country's political development, we see a strong president and a strong government cooperating with the legislative power. Therefore, there will not be and cannot be any major political changes or digressions from the policy of reform," the Russian economist said. However, he reported that the parliament was unjustifiably delaying the adoption of several laws which are vital for the stabilisation of Russia's economy.

The holding of such conferences is very useful for American companies who are trying to work actively on the Russian market, said Anne Delairy, vice-president of the Investment Management Institute and the primary organizer of the forum. All of corporate America is now following the course of Russian reforms, she said. That is understandable, she continued, since both world political stability and global economic prosperity depend on what goes in Russia.

Delairy expressed the hope that Russian representatives would also be present at the next conference organized by her firm, "The World Congress of Investors," scheduled to be held in Montreal this September.

Lavrov Calls For New Model of World Development

LD3006211594 Moscow ITAR-TASS in English 1027 GMT 30 Jun 94

[By ITAR-TASS correspondent Boris Sitnikov]

[Text] United Nations June 30 TASS—Russia calls on the world community to create a new development model for the post- confrontation period free from ideology, oriented towards human needs and taking into account the transitional economy phenomenon, Russian Deputy Foreign Minister Sergey Lavrov, who leads a Russian delegation, said at an annual session of the economic and social council (ECOSOC) on Wednesday.

The Russian representative described as fallacious the thesis that the opposition of blocs in cold-war times was a much more powerful stimulus to development than the present-day atmosphere in the world.

"The difficulties of the current transitional stage of international economic relations should not eclipse the fact that aid during the confrontation era served in many respects as an instrument of ideological struggle and ignored the human factor in develoment", Lavrov said.

"Nowadays, upon leaving confrontation in the past, the world community is yet to create new mechanisms to resolve development problems on the basis of equal partnership, sharing by-effects and fruits of cooperation. Such mechanisms have not be found so far", the Russian chief delegate said.

The Russian representative pointed out that the discussion of the U.N. chief's report "an agenda for development" at the ECOSOC session is to mark the beginning of formulating a comprehensive platform for U.N. socio-economic activities in the foreseeable future. Lavrov referred to assistance in shaping a market economy infrastructure, an effective state administration and social protection as one of the main aspects of such activities.

"One should avoid a simplified 'ideologised geography' which divided the world into north-south, east-west, etc. Actuality is much richer than than that, and it is essential to find a way to reflect this diversity in the agenda for development, including the transitional economy phenomenon", the Russian representative pointed out.

Political Issues

LDPR Claims Assassination Attempt on Zhirinovskiy

LD3006225694 Moscow ITAR-TASS World Service in Russian 2225 GMT 30 Jun 94

[Text] Moscow, 1 Jul—The Liberal-Democratic Party's press service circulated the following statement today: "On 30 June 1994, at the 96th km of Kiev highway an attempt was made upon the life of Vladimir Zhirinovskiy, LDPR chairman, deputy of the State Duma, who was returning from Kaluga Oblast where he had met with voters. As a result of the terrorist act, KGB Major-General V. M. Kostyutkin and Colonel V. P. Borchenko, the LDPR leader's bodyguard, received serious injuries. Drivers were injured, four cars were damaged, and one of the terrorists died at the accident site.

"The LDPR Supreme Council applies for conferring military ranks above precedence and awarding the staff of the motor vehicle inspector's who used their vehicle as a shield to cover the car carrying Vladimir Zhirinovskiy".

Police Reject Claim

LD0107062594 Moscow ITAR-TASS World Service in Russian 0604 GMT 1 Jul 94

[By ITAR-TASS correspondent Anatoliy Yurkin]

[Text] Moscow, 1 July (TASS)—Russia's GAI [State Motor Vehicle Inspectorate] of the Interior Ministry has denied the report of an attempt on the life of Vladimir Zhirinovskiy. ITAR-TASS was told today by Major-General Vladimir Fedorov, the head of GAI that, at 1915 on Thursday, "there was an ordinary road traffic accident" on the 97th km of the main road from Moscow to Bryansk. According to Fedorov, it was caused by a mistake made by one of those involved in the accident and had nothing to do with any assassination attempt.

Zhirinovskiy 'Capers' Discredit Duma, Authority

LD3006214694 Moscow ITAR-TASS World Service in Russian 1413 GMT 30 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow, 30 Jun—"Mr. Zhirinovskiy's capers discredit both the State Duma and authority in Russia." That is how Russian presidential Press Secretary Vyacheslav Kostikov commented on the recent outrage by the leader of the LDPR [Liberal Democratic Party of Russia] parliamentary group during a trip to Nizhniy Novgorod.

An ITAR-TASS correspondent was told by Sergey Stepashin, director of the Federal Counterintelligence Service, that, while he was in Nizhniy Novgorod, Vladimir Zhirinovskiy burst into the office of Governor Boris Nemtsov and demanded that a member of the staff should immediately connect him with the counterintelligence chief. Surprised by the unexpected call, Sergey Stepashin was obliged to listen to Zhirinovskiy's ultimatum "to imprison the governor of Nizhniy Novgorod and the minister of atomic power engineering for eight years for not allowing a deputy into the closed enterprise Arzamas-16."

At today's briefing in the Kremlin, Vyacheslav Kostikov described this escapade as "a mini-coup at town level," and said that Boris Nemtsov has already contacted the procurator's office.

The president's press secretary added that Boris Yeltsin "would not like to comment on the deputy's action, since responsibility for his conduct rests with the State Duma." According to Vyacheslav Kostikov, however, the president did voice the following wish: "It would be useful if the State Duma learned to make use of some means of self-purification."

Yeltsin Anticrime Decree Not Move Away From Democracy

LD3006164594 Moscow ITAR-TASS in English 1447 GMT 30 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 30 TASS—"The Russian president's anti-crime decree is aimed at the protection of the principal right of the people—the right to a peaceful life. Therefore, the decree does not take the country away from democracy," said the presidential spokesman Vyacheslav Kostikov at a briefing in the Kremlin today.

In order to protect the rights of citizens when realising the decree a joint instruction was issued by the Federal Counter Intelligence Service, the Interior Ministry and the General Prosecutor's Office and brought to the notice of all those concerned. Besides, special groups of the prosecutor's office are being created to exercise the surveillance over human rights, Kostikov said.

He pointed out that Boris Yeltsin had issued an instruction to clarify the order of keeping suspects in custody for 30 days, which aroused the strongest criticism among law experts. "After three days since the suspect's detention expires, a prosecutor's sanction is needed to keep the suspect in custody for some more time," Kostikov said.

In his opinion, the decree primarily concerns sanctions against criminal groups. "For the first time in Russia's practice a clear-cut juridical qualification of criminal groups was made, including those operating in commercial structures," the presidential spokesman said.

Instruction on Organized Crime Edict

PM3006110394 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 94 First Edition p 3

[Instruction "On the Procedure for Implementing the Norms of the Russian Federation President's 14 June 1994 Edict No. 1226 'on Urgent Measures To Protect the Population Against Gangsterism and Other Manifestations of Organized Crime'"]

[Text] To the prosecutors of the republics, krays, oblasts, cities of Moscow and St. Petersburg, the autonomous

oblast, autonomous okrugs, cities and rayons, and to the military, transport, and other specialized prosecutors.

To the internal affairs ministries of the republics, the chiefs of the internal affairs main administrations and internal affairs administrations of the krays, oblasts, autonomous oblast, and autonomous okrugs, and the regional administrations for organized crime, territorial internal affairs administrations, and internal affairs administrations at secret establishments.

To the leaders of the Russian Federation counterintelligence organs.

With a view to implementing the edict "on urgent measures to protect the population against gangsterism and other manifestations of organized crime" (hereinafter referred to as the Edict) we propose:

1. That its study be organized in all prosecutor's office, internal affairs, and counterintelligence organs and subdivisions.

That it be explained that the extraordinary measures taken by the Russian Federation president were caused by the extremely tense criminal situation in the country and are measures to step up the struggle against gangsterism and other manifestations of organized crime and sre designed to protect citizens' lives and health and their rights and freedoms and to ensure the implementation of the reforms which are being carried out and the state's security.

2. That coordinated proposals be submitted to the organs of power of the Russian Federation components for the elaboration and adoption of additional measures to step up the struggle against gangsterism and other manifestations of organized crime.

Regional programs to step up the struggle against crime must be supplemented by measures to fulfill the requirements of the Edict. The list of cities and areas which must be placed under special control must be determined. In these regions the personnel of the internal affairs and counterintelligence organs must where necessary move to reinforced operational service activity.

3. That joint operational investigation groups (teams) be created to uncover gangs and other organized criminal formations. Specialization in this field must be ensured for prosecutor's office and internal affairs organs investigators. The joint holding of seminars and the exchange of experience must be practised. Coordination of these questions must be assigned to the relevant prosecutors.

4. That a monthly analysis of the progress in fulfilling the Edict be conducted. That there be a joint assessment of the state of the crime situation connected with gangsterism and other manifestations of organized crime and the results of the activity of the prosecutor's office, internal affairs, and counterintelligence organs in the struggle against these crimes and that appropriate steps be taken in response.

The state of affairs with regard to the Edict's execution must be examined regularly at special coordination or joint operational conferences of leaders of the law enforcement organs.

Information on the results of the Edict's execution must be brought to the population's attention regularly and promptly.

5. That the prosecutors, by a special order, must determine the group of prosecutor's office workers who are to be charged with supervising the legality of the execution of the Edict's demands. Copies must be sent to the relevant subdivisions of the internal affairs organs.

7. That the additional powers granted by the Edict to the law enforcement organs be implemented only with regard to persons suspected of gangsterism or participation in some organized criminal group with regard to which there is information that it has committed serious crimes.

Here the following should be borne in mind:

7.1. A gang is a stable armed group consisting of two or more people who have joined together beforehand to make one or several attacks on organizations, institutions, and enterprises or on individual citizens.

A crime is deemed to have been committed by an organized group if it has been committed by a stable group of people who have joined together beforehand to commit one or several crimes.

Necessary signs of a criminal group are stability, the clear direction of their actions, the allocation of roles within the group, and the planning and preparation of crimes. Depending on the nature of the group there can be other signs—the existence of interregional criminal links, common money or other assets, and so forth.

When determining people's involvement in a gang or other organized criminal group suspected of committing serious crimes, one should be guided by the Russian Federation Supreme Court Presidium 21 December 1993 decree no. 9 "on legal practice in cases of gangsterism."

In this case serious crimes include the crimes listed in article 7-1 of the RSFSR [Russian Soviet Federated Socialist Republic] Criminal Code.

7.2 During operational investigation activity with regard to gangs and other organized criminal formations it is essential to pay special attention to establishing and obtaining factual information on the stability, available weapons, and structure of groupings and the field of their criminal activity.

The use of the results of operational investigation measures as evidence is within the procedure established by the Russian Federation law "on operational investigation activity in the Russian Federation" and the RSFSR criminal procedure code.

7.3 Expert appraisal before criminal proceedings are instituted and a preliminary check on financial and economic activity and property and financial status are carried out

only when there are reliable, verified operational and other materials relating to the involvement of corporate bodies and individuals in organized criminal activity.

The justified order from an investigation organ sanctioned by the relevant prosecutor serves as grounds for carrying out an expert appraisal or preliminary check.

Expert appraisals and preliminary checks are carried out while observing the requirements of the RSFSR criminal prosecutor code.

7.4 Grounds for banking and commercial structures being required to submit documents relating to financial and economic activity and information on investments and operations involving the accounts of individuals and corporate bodies involved in serious crimes by organized criminal groups are the motivated demand (request) from a prosecutor, investigator, or leader of an investigation organ with regard to criminal proceedings which have been initiated or materials of a check carried out in accordance with the procedure of article 109 of the RSFSR criminal procedure code.

7.5 The arrest of a person suspected of gangsterism or participation in organized criminal activity is made only according to criminal proceedings which have been initiated when there are the grounds stipulated by article 122 of the RSFSR criminal procedure code with the compilation of the relevant protocol with reference to article 1 of the Edict.

A copy of the protocol is sent immediately to the prosecutor in charge to supervise the grounds for the arrest and to take other steps in accordance with existing legislation.

Those detained for over three days on suspicion of having committed a crime enjoy in full the rights stipulated by the Russian Federation Constitution and the criminal procedure law, including the right to the presence of an attorney.

When there are sufficient grounds the arrested person is charged and preventive restriction is chosen in the form of detention in custody for 30 days.

7.6 When transport facilities and their drivers and passengers are being searched operational technical means can be used. The confiscation of the weapons, ammunition, explosives, and narcotics which are discovered is made official by a protocol in accordance with the requirements of articles 176-177 of the RSFSR criminal procedure code, which can also be compiled at the request of the persons who are being searched and in cases where no banned objects are found.

8. That the prosecutors must take the necessary steps to reveal promptly and to halt cases of the illegal arrest of citizens and of the unlawful and insufficiently justified implementation of expert appraisals and checks on the financial and economic activity and property and financial status in particular of the relations of suspects and accused and of corporate bodies and public associations and other actions envisaged by the Edict whose implementation could entail the unjustified infliction of property damage or moral harm.

9. That a prompt and painstaking check be conducted into complaints connected with the execution of the Edict and that steps be taken to restore violated rights and a quick response be made to violations which have been allowed, making the culprits liable as established by the law. Each instance of violation revealed while executing the Edict must be reported immediately to the leader of a higher-ranking organ and to the prosecutor.

10. That the organization of work and monitoring of the execution of the Edict's requirements be assigned personally to the internal affairs ministers of the republics, the internal affairs administration (internal affairs main administration) chiefs of krays, oblasts, the autonomous oblast, the autonomous okrugs, and the cities of Moscow and St. Petersburg and of the regional administrations for organized crime, territorial internal affairs administrations, and internal affairs administrations at secret establishments and the leaders of Russian Federation counterintelligence organs.

11. That the organization of work on the supervision of legality in the execution of the Edict be assigned to the prosecutors of the republics, krays, oblasts, cities of Moscow and St. Petersburg, the autonomous oblast, autonomous okrugs, cities and rayons, and military, transport, and other specialized prosecutors.

12. That monthly interim departmental reporting on the progress of the Edict's execution be established. The progress of the Edict's implementation must be reported separately department by department by 10 August 1994.

13. That all operational workers of the prosecutor's office, internal affairs, and counterintelligence organs be familiarized with this instruction.

Monitoring of the instruction's execution is to be assigned to O.I. Gaydanov, deputy general prosecutor of the Russian Federation, M.K. Yegorov, first deputy internal affairs minister of the Russian Federation, and A.Ye. Safonov, first deputy director of the Russian Federation federal counterintelligence service.

[signed] A.N. Ilyushenko, Russian Federation acting general prosecutor, V.F. Yerin, Russian Federation minister of internal affairs, S.V. Stepashin, director of the Russian Federation Federal Counterintelligence Service, "24" June 1994.

Yeltsin Aide Kostikov on President, Army

PM3006114194 Moscow KRASNAYA ZVEZDA in Russian 30 Jun 94 pp 1-2

[Interview with Vyacheslav Kostikov, Russian President's Press secretary, by Oleg Odnokolenko, place and date not given: "Vyacheslav Kostikov: It Would be Beneficial To Leave the Army in Peace"]

[Text] The political situation in the country is developing in quite diverse ways. In these conditions, as in the past, competing forces, defending their sometimes highly restricted interests, have been trying to play the so-called "army card." This was particularly evident during the debates on the military budget.

The Army and its leadership have surely never before had so much "dirt" heaped on them as they are getting right now. With no regard for any of the norms of decency that are customary in civilized countries. As a result even the president was forced to respond. Vyacheslav Kostikov, the Russian Federation President's press secretary, has made several statements on his behalf in the Army's support.

[Odnokolenko] Vyacheslav Vasilyevich, according to our intelligence, as it were, there is information to suggest that you hail from a military environment.

[Kostikov] The history of our fatherland has been such that you will hardly find a single family in Russia whose destiny has not been bound up with the Army. My father was drafted, too, and served throughout the war. After demobilization he worked as Marshal Golikov's driver. This name is quite well known because Golikov was regarded as a war hero and one of Stalin's closest comrades in arms.

I myself am very directly connected with the Army. I spent exactly 24 days on military training when I was a student at the Moscow State University Department of Journalism. Nevertheless, I did wear military uniform and even went AWOL.

[Odnokolenko] Am I right in thinking that you are a native Muscovite?

[Kostikov] I used to live on Meshchanskaya Street. It was a typical Moscow home. There was terrible poverty. This determined daily life—one of tears, sometimes fist fights and knifings. I would put it like this: It is a false notion that poverty and beggary are character forming. On the contrary, poverty is demoralizing.

[Odnokolenko] What did your father tell you about the life of his boss?

[Kostikov] Unlike today's lumpenized philistine who wants to look at the contents of your pocket before looking you in the face, that generation completely lacked that characteristic. I never sensed in my father's opinions any malice or resentment although, of course, the difference in their material and daily living conditions was simply astonishing. We lived in a damp room and in winter mom scraped the frost from the floor. But we never suffered from envy. I, for example, believe that the bolsheviks developed envy in people, by their constant antagonism toward the rich.

[Odnokolenko] Maybe that is so... But let us talk about the Army. Although it is said that our Army is a product of the people, when it comes to political battles it is the Army which is made to suffer first. That is true of all armies—ours and foreign ones.

[Kostikov] The conservatives have always looked on the Army as their preserve. And since the conservatives now include the communists and the national patriots, they, too, are trying to play the "army card." In this regard they are most unconscionably exploiting the Army's patriotic nature, which has always been the foundation of Russian patriotism, the foundation of the Russian national tradition. They try to use the Army as a force with which to drag the country backwards. But if you recall the prerevolutionary army, above all the officer corps—the military intelligentsia—you will not find very many retrograde people there.

[Odnokolenko] Especially since the military intellectuals were always well received in the most refined salons where there was no lack of progressive ideas. Admittedly, today's intellectual high society is not resplendent with people in epaulettes.

[Kostikov] As the Army becomes modernized, more civilized, and more professional, so this tradition is bound to return. It seems to me that the supreme military leadership—and here I am prepared to express a mild rebuke to Pavel Sergeyevich Grachev—is not paying sufficient attention to the creation of a military elite, a military intelligentsia. But without that the Army cannot exist. Until such time as it becomes part of the general intellectual process it will remain an object of criticism. It seems to me that if the task of the rebirth and restoration of the military intelligentsia, the uniformed intelligentsia, were resolved within the framework of reform, the problem of the conflicts and of the struggle surrounding the army would be considerably mitigated.

[Odnokolenko] You categorized the "army interest" of the communists and the national patriots. But it is also the case that the democratic forces have not been leaving the Army in peace either. Unfortunately, their methods are not of the best either. In my view, this suggests that there is an unprecedented power struggle going on in the democrats' camp.

[Kostikov] This is a dangerous phenomenon. I do not mean to say that the Army must be outside politics. That is clearly impossible. But in my view it must be a symbol of Russia's general national strategic interests, as it always was, and must continue to serve them. In other words, the Army must resolve general national interests, not narrow political ones. Unfortunately, not all parties understand that now. But fortunately the president does understand it.

[Odnokolenko] But the remarkable thing is that the blows are being aimed precisely at the Defense Ministry even though it is not the only power structure. Is that not because the Army is the state's main bulwark?

[Kostikov] I believe that this is connected with the fact that Pavel Sergeyevich Grachev and Boris Nikolayevich Yeltsin have a deep mutual understanding of the fate of Russia as a whole and of the Russian Army in particular, despite the fact that the president expresses criticisms of the defense minister—which is natural and normal. I would put it like this: Pavel Sergeyevich is one of the

president's men. I believe that this fact partly predetermines the attacks on Army General Grachev.

I have been following the army debate closely. To be more accurate, it is not even a debate. It is either frenzied criticism of Grachev and the Army or else it is simply pathetic sniping by uninformed people. You will not help the cause by hitting at the defense minister and trying to give him a few more "bruises." But a healthy debate about the Army, a constructive debate which would ultimately highlight the weak aspects of the Defense Ministry's reform policy has, unfortunately, not taken place.

[Odnokolenko] It is not just the Army, the whole of the country's present leadership are in the sights of what are, for the most part, not especially benevolent critics. Do they really not understand that by shaking state structures which have only just become stable they are pushing all of us toward the brink?

[Kostikov] I believe that one of the main political tasks facing the president and, indirectly, the Army is to preserve for the next few years this as yet fragile civil and political equilibrium which has been created in Russia since the adoption of the new Constitution and the signing of the Treaty on Civil Accord. In this regard it is very important that the Army adopts a normal, peaceful civic stance. That is why it would beneficial for society to leave the Army in peace and give it the opportunity to calmly surmount those difficulties of reform which are natural in a transitional period.

[Odnokolenko] Yes, but sometimes matters degenerate to outright provocations. Suddenly there is a rumor that the president does not even want to talk to the defense minister any more...

[Kostikov] That is a fairly familiar method in which an ill-informed journalist replaces a lack of competence with a far-fetched piece of sensationalism. I work in close contact with Boris Nikolayevich and I can see whom the president is in contact with. There is constant communication between the president and Army Gen. Grachev. I shall stress once more that Pavel Sergeyevich is one of the president's closest comrades in arms, he enjoys Boris Nikolayevich's support and full confidence.

[Odnokolenko] That is why each blow struck against the Army is first and foremost a blow against the president himself and he is Supreme Commander in Chief, a fact which people constantly forget.

[Kostikov] Indeed, they sometimes forget that...

[Odnokolenko] But by no means everyone does. It suits some people who do not miss an opportunity to stress that the president has never served in the Army and thus is unfamiliar with military problems.

[Kostikov] It is common knowledge that for many years Boris Nikolayevich worked in Sverdlovsk, in the Urals, where the military-industrial complex is very significant. He really knows all the major military plants inside out. Thus it is ludicrous to claim that he is not absorbed in military matters. When I accompany the president to military exercises and military units I see for myself that he knows both the Army's structure and its armament well.

[Odnokolenko] So the rumors of the president's military incompetence are unduly exaggerated?

[Kostikov] Boris Nikolayevich knows everything that a president and Supreme Commander in Chief ought to know about the Army and army affairs.

[Odnokolenko] Why then does his entourage take such differing views of military questions? Take, for example, the stormy debates on the military budget. Our newspaper defended one position while ROSSIYSKAYA GAZETA, for instance, took the completely opposite line—it was almost anti-army.

[Kostikov] As far as I am aware, the president and Premier Chernomyrdin have a common understanding both as regards the question of the military budget and on political strategy. This is a united and very consolidated political team, which is pulling in the same direction, as the saying goes. That there are different interpretations of tactics is another matter but that is perfectly normal in a democratic society.

I know that the president supports a strong military budget because he understands that without a strong and well-equipped army there cannot be a strong Russia. But in addition, Boris Nikolayevich is also president of all the Russians and he cannot fail to understand that if he puts a few extra trillions into the Army's pocket he will have to take the same amount out of the civilian's pocket. The president often faces a difficult and even a dramatic choice.

Of course, the Army has a powerful lobbying system. That is also normal. Lobbying exists even in countries with a deeper democratic tradition. But, for example, by observing Pavel Sergeyevich and the other military men, I can say that this lobbying is taking place within reasonable bounds. The Army does not grab the civil authorities by the throat, as it is sometimes made to appear.

But on the whole I believe that our Army is poor. It deserves more, of course. It makes your heart bleed when you see how the officers live in some garrisons, what squalid conditions they live in. Is this normal?

[Odnokolenko] But do you remember how it all began? Remember how they said that as soon as rich people appeared in society everything would change for the better? Well, they have appeared but, contrary to expectations, they have not become a support for the president. Perhaps this is simply because the people who have gone into business are anything but intellectuals? And certainly not patriots of their Fatherland.

[Kostikov] If you remember history you will have to admit that the intellectuals never became millionaires. As a rule it is former merchants, sometimes even former robbers who become millionaires. In addition, money has the power to corrupt, especially in the initial, primitive stage

of accumulation. It is only later than it begins to ennoble. I, for example, believe that the very next generation of families who have now managed to build up capital will become the intelligentsia. What is more, some businessmen are already concerned right now with how to invest resources in Russian industry. This is a positive sign that the economic reform is on the right track.

But those people whom you are talking about, all those crooks who ride around in luxurious limousines but cannot look further than their own wallets will soon end up on the sidelines. This will happen when the country's capital forms into a system. But even now we are seeing bankers who are ready to pay the MVD [Ministry of Internal Affairs], for example, to ensure order in society.

[Odnokolenko] I am sorry to have to say this but they have been bombed into doing that.

[Kostikov] Yes, bombs are the reason now but in the future these people will feel that there is a more civilized necessity. I am confident that private capital will soon go into military production. After all, manufacturing weapons is profitable. Fortunately we have now understood that arms are a commodity and we do not live in some kind of heavenly kingdom. I see nothing wrong with it if banks or major Russian businessmen have an opportunity to take control of unprofitable military plants. I assure you, the process of recovery will go faster and the military-industrial complex will be able to become a money-spinning structure.

[Odnokolenko] As I listen to you I am increasingly convinced that the main characteristic of the Kremlin's walls and offices is their capacity to produce dreamers.

[Kostikov] As for the president, he is very much a pragmatist. I do not know, perhaps it is offensive to say of someone that he is not a dreamer... Our president is both by profession and in the philosophical sense a builder, a builder of the new Russia. But he can see the long term, of course.

[Odnokolenko] I do not know what you think about this but it seems to me that we really need something like the old Politburo right now—a structure which would be responsible for the ideological and the spiritual support for the reforms.

[Kostikov] There is indeed no such structure. But there is a need for one. The difficulty is that in the past 70 years ideology occupied such an enormous part of our lives that it "took possession" of everyone. That is why not only the population but also politicians have a fairly strong aversion to ideological work. But I believe that society cannot live without an ideology, without a faith, and without love, which is also a part of ideology.

I am not sure whether it is necessary to create a new ideology. After all, the traditional Russian values which existed before 1917—a strong state, a strong authority, patriotism, morality, ethic values, and pride in wealth acquired by physical and intellectual effort—have not been abolished. We do not need to reinvent the wheel. It is simply that these values must be put into circulation again and perhaps brought up to date a little.

[Odnokolenko] This is a task for the intellectuals. But tell me, where are those leaders of perestroyka who ought to unite and support the president right now at this difficult moment? Some of them are themselves waging a furious struggle for power while others put in an occasional appearance and, playing the part of Bulgakov's Professor Preobrazhenskiy, say—they relieve themselves in the corridors, that's why the place is in a mess. So where is our traditional intellectual asceticism? Or do they find it comfortable and safer to display it from London or from America?

[Kostikov] Let us not be too severe. You have to know how to separate the blame from the problem. After all, in the course of 70 years it was not only the foundations of patriotism, not only the foundations of morality that were destroyed but the foundations of intellectuality that suffered to a considerable extent. Unfortunately the level of the Russian intelligentsia and the level of its understanding of the processes that are taking place are fairly low today. To compare with the Army it may be said that today's intelligentsia also needs a certain inner reform.

[Odnokolenko] But as they say, the intelligentsia is bound to be in opposition to all authority now...

[Kostikov] I just don't know where that opinion came from. In my view, we have now created all the conditions for the intelligentsia to cooperate with the authorities for the sake of Russia's supreme interests that have been revealed and restored by democracy. At the same time, I realize that over many years the intelligentsia really was in opposition to the authorities, because the authorities themselves were ill-educated and pseudopopular. Those obstacles have now been removed. Incidentally, before the revolution the best minds, while being rather skeptical about the clique grouped around the czar, served the fatherland loyally and faithfully. And they did not consider this demeaning.

[Odnokolenko] Perhaps it was a case of totalitarianism scaring the intelligentsia, because it was afraid of joining the authorities? Although, on the other hand, you, for instance, do not strike me as someone who scares easily.

[Kostikov] I came to the Kremlin because I realized that the current Russia authorities represent Russian interests. Such authorities should be helped rather than opposed.

Yes, the authorities today are inexperienced, sometimes they are still not intelligent or professional enough, but they embody and reflect the country's main requirements. This is why I do not consider it shameful for me to protect these authorities with the means at my disposal.

As for the intelligentsia's position.... Its current attitude to the authorities is conditioned by the fact that over the 70 years of communist falsehoods and lies the authorities so discredited themselves that to a considerable extent they became an object of vilification. People were either scared

of them or despised them. Many generations of the Soviet intelligentsia grew up on this basis.

[Odnokolenko] We have somehow failed to mention in our conversation that you yourself are a representative of a profoundly intellectual profession. Now you are having to issue political-type statements and get into clashes—as was the case with Khasbulatov and Rutskoy.... I must say that this is a very curious occupation for a man used to a pen and a blank sheet of paper.

[Kostikov] The "robustness" of some of my statements—maybe even their excess of emotion—is linked to my own temperament and, perhaps to an even greater extent to the political temperament and clout of the president. I cannot imagine that I could be an "effete" press secretary alongside Boris Nikolayevich.

Incidentally, in every political process there is an acute Gothic period and a period of tranquil classicism. The period of confrontation between the president or presidential structures and the Supreme Soviet headed by Khasbulatov was a period of an acute political struggle and clashes to the death for the future of Russia and for democratic choice in Russia. And, of course, this period required some sharp notes and some vivid, acute colors from the president and from his press secretary. But now we can all sense democracy and we feel more protected. We have a Constitution which clearly lays down the president's rights, we have the Treaty of Civil Accord—in other words, we are now operating in a calmer political climate. And those attacks by Rutskoy which formerly might have required a sharper reaction are now already seen as something secondary. I think that Rutskoy's day is over. He is a politician who learned to play the drums, but could not assemble a political orchestra around him. Khasbulatov is a serious, dangerous figure—a serious politician who embodies a certain school of thought. He required a special kind of reaction and a serious approach—a real political struggle that sometimes switched to hand-to-hand fighting. He was a politician with whom, if you like, it would be interesting to duel, interesting to fight—a kind of Soviet Machiavelli. Khasbulatov is a passionate man, and the struggle against him must be waged passionately.

[Odnokolenko] That is an interesting point. The writer Kostikov, when he leaves his office, is thinking about the Gothic and the classical in politics. Does this mean that you have finally become intoxicated by politics?

[Kostikov] No, not at all. I have no personal political intentions. I am a politician by a whim of fate, for the period that binds me to Boris Nikolayevich Yeltsin. As soon as he gives up politics, I will be leaving politics too. It will be a very interesting memory for me—perhaps providing material for articles or novels. My biggest political "ambition" is to try to help the president to get Russia into a state of stability as fast as possible, and then to return to my writing desk as soon as possible. Currently the post of press secretary suits me down to the ground. It allows me to look at politics and politicians from an interesting and sometimes unique angle. The specifics of the press secretary's job are that he has one foot in the political kitchen and the other in the political drawing room.

[Odnokolenko] Do you believe that the image of Sirin is suitable for realizing on paper the images of the personalities concentrated around you?

[Kostikov] No, it would take a more muscular figure, with a rougher, fuller-bodied outline. Russian politics is only just taking shape. This is very rich, contradictory, human material which, of course, would form an interesting outline for a novel.

I admit that I find working with Boris Nikolayevich very interesting. I might not have worked with anyone else. Yeltsin is a wonderfully kind politician, he is a born politician. Perhaps with some rough edges, perhaps not in a diamond setting, but he is a very major politician.

[Odnokolenko] That is something that I can agree with and anyone can agree with—whatever their attitude to the president at any given time. The fact that Yeltsin won so many battles is quite convincing testimony to his political qualities. At the same time, it shows that in our unstable Russian politics the character of a politician is far more important than his philosophy or views.

[Kostikov] The president's political will was clearly seen in the dramatic and almost truly Shakespearean situation when he to all intents and purposes made the decision to storm the White House and as it were crushed it with the force of his own will.

The president receives a lot of advice and considers a lot of information, but he always makes his own decisions. And now, at a time in Russia's development when not everything is going harmoniously, when there are so many contradictions and passions, and when you have to act quite sharply and often under time pressure, the fact that we have as president a courageous man not afraid of tough decisions and measures is, of course, a great good fortune. Above all, for Russia.

Security Aides Baturin, Lobov Seen at Odds

MK3006073094 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 30 Jun 94 p 2

[Unattributed report under the "Non-Stop Around the Clock" rubric: "Who's Closer to the President's Body?"]

[Text] The president's edict on combating crime is proving an advantageous backdrop for statements from all sorts of political movements, parties, and leaders. Not a sound has been heard in this chorus, however, from the Security Council. This despite the fact that it is directly responsible for security in the country and was supposed to be the first to make a statement. It has come to light from responsible sources that the edict was drafted by the president's national security aide Baturin together with Minister of Internal Affairs Yerin. The Security Council was concurrently working on what was supposed to be a comprehensive broad-based program to combat crime and corruption.

That the Security Council did not take part in drafting the edict is yet another indication of strained relations between Council secretary Lobov and presidential aide Baturin. The conflict lies in that the presidential aide and his staff virtually duplicate the Security Council's functions.

Interestingly, a recent IZVESTIYA story on Baturin contains a "rational" suggestion—the presidential national security aide and the National Security Council ought to be one whole with a unified staff. Will this be followed up by any concrete steps?

Russia's Choice Urges Resignation of FCS Chief

MK3006093094 Moscow KOMMERSANT-DAILY in Russian 30 Jun 94 p 1

[Maksim Sokolov report: "Colonel Yushenkov Makes Threatening Gestures at General Stepashin"]

[Text] Meeting on 29 June with Russian media chiefs, Federal Counterintelligence Service [FCS] Director Sergey Stepashin concentrated on the latest hostage-taking case, refraining from comments on calls for his resignation made two day before. Meanwhile these calls are noteworthy in at least because they originate with a political grouping which, beginning with August 1991, has treated the state security leadership with accentuated delicacy.

On 27 June Sergey Yushenkov, a member of the Russia's Democratic Choice Political Council and chairman of the Duma Defense Committee, announced that his party intends to ask the president to dismiss the FCS director. Stepashin is blamed for his praise of the presidential crime control edict: "I am for violating a person's rights if this person is a bandit or a criminal." On behalf of his party comrades, shocked by the secret police chief's legal outlook, Yushenkov noted that this phrase "contradicts the very spirit of legality, human rights and freedoms, and threatens arbitrariness and a repetition of what has happened in the country's history more than once."

The state security establishment immediately entered polemics. On 28 June Aleksandr Mikhaylov, head of the FCS Public Relations Center, explained that Stepashin merely intended to violate the right to "kill, rob, and rape" appropriated by the criminals. It remained unclear to what extent the security people are capable of distinguishing a suspect (whose rights are advocated by the democrats) from a criminal (whom Stepashin has set out to fight). Yet Mikhaylov clearly saw the political rationale behind the Russia's Democratic Choice statement: This is "just another attempt to play a political card in order to divert attention from the essence of presidential efforts to combat crime." Abusing the expression "once again play a card" to which he has taken a liking, Mikhaylov recalled the president's words: "A strong Russia needs strong special services."

The latest incident, however, is interesting in that it has been not "just another" but the first time since August 1991 that the liberals have entered an open conflict with the state security top brass. Earlier, in their relations with the security establishment, they proceeded from the principle of the lesser evil, supposing that in a near-putsch atmosphere it is not the time to quarrel with the secret police. Moreover, the liberals have always had an excellent relationship with Stepashin himself, who in the merry Khasbulatov days headed the parliament security committee and stayed loyal to the president. Yet all good things must come to an end. The liberals, increasingly switching over to opposition, are less and less inclined to understand the nuances of the complicated relations between the president and the security bodies and close their eyes to the revival of the Cheka [Extraordinary Commission for Struggle Against Counterrevolution, Espionage, and Speculation, 1917-1922] traditions. The chekists, seeing the regime visibly bronzing [bronzoveyet], are rapidly shedding their inferiority complex, treasuring their traditions more and more.

Baburin Criticizes 'Accord for Russia' Allies

PM2906145594 Moscow ROSSIYSKIYE VESTI in Russian 29 Jun 94 p 2

[Report by correspondent Vladimir Igolkin: "Sergey Baburin a Stranger among His Own People?"]

[Text] Omsk—State Duma Deputy S. Baburin has sharply criticized his political allies in the "Accord for Russia" movement and accused them of lack of principle. The reason was the recent approval by the lower chamber of parliament of the draft federal budget for this year submitted by the government.

Analyzing the results of the vote, the leader of the Russian national union believes that a new parliamentary majority has formed in the Duma. It has been joined by the Liberal Democratic Party of Russia [LDPR], the Russian Federation Communist Party, the Party of Russian Unity and Accord, the Agrarian Party, the Democratic Party, the "Women of Russia." These are precisely the factions which mainly voted for the cabinet of ministers' budget message. In a statement published in an Omsk newspaper S. Baburin suggested that his supporters in the Russian National Union refrain from taking part in the "Accord for Russia."

What does this step mean? In the opinion of local observers it is evidence of the desire to step up his influence on the electorate in the long run-up to the 1996 parliamentary elections. And this influence exists for the Russian National Union which, like the majority of other political forces, is associated primarily with the personality of its leader.

It is an open secret that V. Zhirinovskiy's party relies on more or less the same strata of voters. In a recent live television broadcast Omsk television viewers witnessed a terse verbal duel between S. Baburin and a leader of the local LDPR organization. In reply to a comment that the recent utterances of an eminent fellow countryman were increasingly reminiscent of their party's election struggle and the Russian National Union is thus seen as some kind of branch of the LDPR, S. Baburin without thinking replied that it was rather the other way round. And

touching on the subject of the forthcoming elections he confidently stated that he would not continue to allow incidents like last year's, when a day before the deadline for handing in signatures to the electoral commission expired some signatures were stolen from the Russian National Union headquarters.

Information Center Reflects President-Premier Rivalry

MK3006110094 Moscow KOMMERSANT-DAILY in Russian 30 Jun 94 p 3

[Report by Maksim Sokolov: "New Division in Presidential Administration. Boris Yeltsin Sets Up His Own Automated Control System-cum-Federal Agency of Government Communications and Information"]

[Text] Most staff reorganizations make no sense at all, that is, they are of no use. But if we focus on their initial objective, not the final end, reorganization attempts appear completely logical—what they result in is another thing. KOMMERSANT-DAILY observer Maksim Sokolov tries to grasp the idea of the presidential decision on setting up the Information Technologies Center, which was released for distribution yesterday.

Information control is the sine qua non for successful government, hence any statesman needs effective information technologies. In Russia, this need is even more evident: a huge country, a huge bureaucratic staff, a tradition of overcentralized government. The overcentralization results in an information blockade of those on high and a complete lack of feedback. Chernomyrdin's bon mot—"We wanted to do our best, but the result was as usual"—is an epigraph to the entire history of the centralized Russian state.

Not only ages-long history, but also the latest incidents involving presidential edicts have prompted the staff to some action: a complete lack of coordination and control of the situation (that is, information) were only too evident. The first thing that comes to mind is a technocratic solution to the problem by introducing more effective information technologies. The manifest technocratism of the current solution can be compared with the euphoria of the 1960's-1970's about automated control systems. Once more or less powerful computers of the IBM-360 type emerged, so did a temptation to solve the problem of the Soviet planned chaos via automated control systems.

Along with the technocratic minimum program, there can be an autocratic maximum program. The creation of a single center to which all subordinate organizations are obliged to send information ideally means the emergence of an information monopoly in the hands of the presidential administration. Given that information means power, in the end this is the creation of a power monopoly. Since the government staff is in principle also involved in the struggle for information monopoly, it would be logical to see this decision in the context of competition between the cabinet and the presidential administration.

Yeltsin To Prevent Return to Collective Farms

LD3006164294 Moscow ITAR-TASS in English 1445 GMT 30 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 30 TASS—"I have to distress agrarian lobbyists who begin speaking to Boris Yeltsin in the language of ultimatums: The Russian president will not allow to roll the country back to the system of collective and state farms", Presidential Spokesman Vyacheslav Kostikov told reporters on Yeltsin's behalf at today's briefing in the Kremlin.

The spokesman reiterated Yeltsin's commitment to the multistructural character of the agrarian sector. He "does not intend to disband effective state farms", Kostikov reported. "Without cutting down fruit-bearing trees of sound collective farms, Boris Yeltsin thinks it important to plant new trees—individual farms", he pointed out.

In doing so, the state "will no longer provide budget subsidies to loss-making collective and state farms", the spokesman emphasised.

According to Kostikov, "the mentality of collective farmers is changing more rapidly than the psychology of agrarian lobbyists in the State Duma. Peasants' World outlook is already market-oriented enough. Therefore, members of the Agrarian Party's faction uphold their own interests in parliament", Kostikov said in conclusion.

Russia Wants Hostage-Takers Back From Chechnya

LD2906161594 Moscow ITAR-TASS in English 1204 GMT 29 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 29 TASS—The three hostage-takers arrested early on Wednesday in the rebel Russian republic of Chechnya are being kept in the Chechen capital of Grozny and Russian authorities are holding negotiations to get the criminals back to Russia.

Director of the Federal Counterintelligence Service Sergey Stepashin told TASS on Wednesday that the three terrorists had been identified and two of them are ethnic Chechens. He refused to disclose their names.

He added that the terrorists were seized by a joint effort of the elite Russian "Alpha" commandos, counterintelligence officers and security bodies of Chechnya.

The major task was to save the lives of hostages. "Several million dollars are nothing compared to one human life", Stepashin said. The terrorists demanded six million dollars.

Reasons Behind Recent Hostage-Taking Analyzed

PM3006131994 Moscow IZVESTIYA in Russian 30 Jun 94 p 2

[Report by Igor Andreyev: "Terrorists' Actions Decisive, But Stereotyped"]

[Text] Counterintelligence officers of the Federal Counterintelligence Service [FCS], having gotten their breath back following the successful outcome of the latest terrorist action, are already joking that it is time to introduce an official, suitably equipped bus near Mineralnyye Vody Airport as a bait for gangsters, who have clearly taken a fancy to this region of Russia for the purpose of seizing hostages and blackmailing the authorities.... Seriously speaking, the question inevitably arises: Why has Stavropol Kray and the adjacent North Caucasian zone become, for the third time running, the stage for dramatic events, which have not yet, thank God, ended in bloody tragedy?

In the opinion of FCS specialists contacted by IZVESTIYA, the criminals are no longer hijacking scheduled aircraft in a bid to cross the border, as in the past. First, now there is no problem about leaving the country legally. Second, even civilized countries may hand over hijackers to the state afflicted by their action. And this is not the most terrible hazard, if one recalls the fate of the hardened criminals who once flew from Yakutsk to Pakistan. Only some Muslim holiday in this neighboring country saved the hijackers from the inevitable death penalty for such a crime. Receiving life sentences, the terrorists could not withstand the hardships of the Asian jail, and some of them took their own lives.

Obviously, the specialists say, it is the monetary, material interests of the gangsters that prevail in the current seizures of hostages. A sizeable ruble, and, best of all, dollar ransom—that is the main reason for these ventures. Weapons, bulletproof vests, a helicopter, vodka, and drugs are only the tools of the trade. Why a helicopter, and not some other flying machine, is also obvious, for it is substantially easier to control the situation from a helicopter, to "pinpoint" preparations for a storm attack and the attempts of the special purpose troops to approach the craft. Its invaluable feature is that it can be landed anywhere, in the most secluded corner of a mountainous region where some parts are untrod by the foot of man. Thus it is simpler to lose oneself, to bide one's time in isolation, or to hide the money with the aid of accomplices.

An important factor explaining why the Russian south attracts "mercenary" terrorists is the instability of the political situation in these parts, a situation which the gangsters apparently know well. According to initial reports from Chechnya, all three of the men arrested are Caucasians.

Summing up the reasons for the criminals' predisposition for Stavropol Kray, FCS counterintelligence officers stipulate that the actions of recent terrorist groups show a kind of stereotypical pattern, which allows the opposing forces in their turn to build up experience in neutralizing these criminals. In the opinion of IZVESTIYA's interlocutors, success in combating gangsters and in averting such incidents is helped by extensive publicity of failed attempts to seize hostages and the fate of the perpetrators. The trial of the "May" terrorists will take place in Stavropol in the near future, the FCS informed us.

According to information at the editorial office's disposal, in the course of the May operation to free hostages seized near Mineralnyye Vody one of the terrorists was not handed over to the Russian internal affairs organs by the Chechen side. Difficult negotiations on the handover of criminals are being conducted at the present time.

PRAVDA To Go Back on Sale Across Russia

PM3006195594 Moscow PRAVDA in Russian 1 Jul 94 p 1

[Announcement signed by "PRAVDA Staff": "To PRAVDA's Readers"]

[Text] Dear Friends! All subscribers in Russia will receive this and subsequent issues of PRAVDA. The paper will go on retail sale wherever there is a demand for it. This became possible after the editorial office learned the results of the subscription campaign for the second half of 1994. As of 1 July PRAVDA will have 70,000 subscribers.

We PRAVDA staff take a realistic view of things and events. The frantic rise in prices for a whole range of materials and services involved in producing the newspaper effectively renders the subscription charges worthless, so the editorial office was forced to set the highest subscription price for newspapers of this kind. The question was this: Either survival or death. Commercial handouts, as you will understand yourselves, are not meant for an opposition publication, and that is what PRAVDA is. Our subscribers are the poorest and most underprivileged. It is sometimes beyond their means to spend more than 50,000 rubles on a newspaper. Many have despairingly bidden their PRAVDA farewell.

We offer our deep apologies to those people who for several months now have not received the newspaper in the Volga region, the Urals, Siberia and the Far East, Ukraine, and Belorussia [Belarus].

We would ask all of you who are interested in the newspaper to go the post office and take out a subscription for the months ahead and in September take out a subscription for the first half of 1995.

Stick with PRAVDA, friends!
[Signed] PRAVDA staff

Economic Issues

Program For Post-Voucher Privatization Approved

LD3006131894 Moscow INTERFAX in English 1047 GMT 30 Jun 94

[Text] Today the Russian Government approved the state program for privatization of state and municipal enterprises to go into effect after July 1, 1994 when the term for privatization cheques (vouchers) expires.

Russian Premier Viktor Chernomyrdin formed a commission from representatives of the State Property Commission, the Ministry for Justice, and several departments which will work out a draft of the presidential decree on

post-voucher privatization to be in force until the State Duma adopts an appropriate law.

Chernomyrdin said that on Friday he would sign the draft decree completed by the commission and would submit it for approval of the Russian president. Chernomyrdin said he feared that because of the parliamentary recess the adoption of an appropriate law by the State Duma could be delayed and that the draft law approved by the parliament would differ from the presidential decree.

Russian Vice Premier, Chairman of the State Property Committee Anatoliy Chubays said that after July 1 privatization would be carried out in accordance with the presidential decree and the law adopted by the State Duma would be binding and irreversible.

Chubays stressed that the program did not aim at increasing the number of owners and share-holders but focused on boosting new technologies and the efficiency of economic performance of privatized enterprises and on attracting investments into the industry.

The State Property Committee said that there were 1 million owners of enterprises privatized within the scope of the so-called "small privatization" and 40 million share-holders. A total of 139 million vouchers out of the 148 million given out by the state had been invested as of last Saturday.

Chubays said that several large voucher auctions would wind up today and it could be expected that the number of invested vouchers would reach from 143 million to 145 million (97 percent or 98 percent of their total number).

The State Property Committee wanted to examine the situation with invested vouchers after July 1, 1994. In accordance with the privatization program the heads of administrations will have the right to authorize the use of vouchers in privatization operations from September 1, 1994, after the inventory of vouchers be made. The voucher's price must not be less that 10,000 rubles. It may be bigger if the local administration decides so.

Chubays said that the program for post-voucher privatization would allow enterprises to acquire land on which the enterprises were situated and sell any unneeded land on the market.

The standard for assessment of state property judging by the situation on July 1, 1992 will be annulled as out-dated. The situation for January 1, 1994 will be a basis for defining the initial price of enterprises sold at auctions.

The program also provides for sharp decrease in the volume of preferential selling of shares.

In accordance with the second version of privatization, employees of enterprises had the right to acquire 51 percent of their shares. Now this part will be brought down to 10 percent. Other shares will be acquired by potential investors. The regions now have more rights. They can independently opt for any version of privatization. The new program does not include the planning indicators of privatization and there is no more provision on enterprises which must be privatized in obligatory order.

Yeltsin Praises Work of Privatization Commission

LD0107090194 Moscow Ostankino Television First Channel Network in Russian 0800 GMT 1 Jul 94

[From the "Novosti" newscast]

[Text] The press service of the Russian president has today circulated Boris Yeltsin's message to employees of the Russian State Property Committee of the Russian Federal Property Fund. It says: The program of mass voucher privatization has ended in Russia on 30 June. As a result, 70 percent of industrial enterprises passed into private ownership. More than 1 million Russian people became owners of small businesses.

In his message, Yeltsin said: "Possessing the necessary qualifications that enabled you to carry out the program, unprecedented in Russian history, you worked selflessly. You succeeded in overcoming the most fierce resistance and accomplished the task set before you well on time."

Yeltsin Edict on Next Privatization Stage

PM3006140594 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 94 First Edition p 1

[Russian Federation Presidential Edict No. 1374, signed by President Yeltsin and dated 28 June 1994: "On Measures To Protect Citizens' Interests at the Transitional Stage from Check to Monetary Privatization"; followed by commentary by A. Yevgenyev under the general heading "What Will Replace the Voucher"]

[Text] With a view to protecting the right of citizens to participate in privatization and to take advantage of the concessionary terms stipulated by the State Program for the Privatization of State and Municipal Enterprises in the Russian Federation for workers at the enterprises being privatized, I decree that:

1. It is prescribed that:

the sale of enterprises and of shares in privatized enterprises whose privatization plans were ratified prior to 1 July 1994 shall be implemented in accordance with the aforesaid privatization plans following the payment procedure prescribed by this edict;

participation by labor collective members and equivalent individuals in purchasing the shares of privatized enterprises whose applications for privatization were lodged in accordance with Russian Federation presidential edicts No. 66 "On Accelerating the Privatization of State and Municipal Enterprises" of 29 January 1992 and No. 721 "On Organizational Measures to Transform State Enterprises and Voluntary Associations of State Enterprises into Joint-Stock Companies" of 1 July 1992 and were registered before 1 July 1994 shall be effected in accordance with the concessionary option selected and the Russian Federation legislation in operation at the time this edict is adopted;

in the event of an enterprise privatization plan ratified prior to 1 July 1994 not stipulating a schedule for the sale of shares, they shall be sold in the period up to 1 January 1995.

2. It is prescribed that if the information on the commencement of the closed subscription period is published prior to 1 July 1994, then payment, including prepayment, for shares in the enterprises being privatized will be effected by participants in the closed subscription by means of privatization checks until the deadline prescribed by this edict for the transfer to the relevant property funds of privatization checks collected under the closed subscription falls due.

3. The transfer to the corresponding property funds before 31 July 1994 of privatization checks collected under the closed subscription during enterprise privatization shall be permitted.

Privatization checks collected under the closed subscription during enterprise privatization will not be accepted by property funds after 31 July 1994 and the results of the closed subscription will be annulled.

4. It is prescribed that, after 1 July 1994, payment for enterprises being sold and shares in privatized enterprises shall be effected in money at auctions, on stock exchanges, or by other means, irrespective of the form of payment stipulated by the ratified privatization plans.

5. The leaders of the corresponding enterprises and property funds shall be personally responsible for ensuring that labor collective members at privatized state and municipal enterprises and equivalent individuals exercise their rights to acquire concessionary shares by closed subscription in accordance with the ratified privatization plans.

6. This edict comes into force from the moment it is signed.
[Signed] Russian Federation President B. Yeltsin
[Dated] Moscow, the Kremlin, 28 June 1994
No. 1374

To briefly sum up the text of the presidential edict "On Measures To Protect Citizens' Interests at the Transitional Stage from Check to Monetary Privatization," we were told at the State Committee for the Management of State Property, it should be stressed that the document confirms yet again that as of 1 July vouchers will cease to be valid on Russian territory. An exception is made solely for labor collective members and equivalent individuals at privatized enterprises whose privatization plans were ratified before 1 July 1994 but which have, for whatever reason, been unable to implement them. They and they alone will be given a one-month deferment in the form of a closed subscription.

As of 20 June 136 million of the 148 million privatization checks had been exchanged for shares. But lately the flow of vouchers presented for exchange has increased to 9 million a week. So that by 1 July there will most probably be very few left "outstanding." There are even more questions prompted by the Moscow City Government's decision to extend the validity of vouchers issued in the capital to 1 January 1995. After all, it cannot be said that Muscovites have not had much choice—"Gasprom" shares, for instance, have been selling like hot cakes until recently. Admittedly, unlike many other cities, large-scale privatization in the capital has been held up, substantially reducing supply. Mainly because of the special stance taken by the capital's leadership. But it prefers not to draw attention to such an "insignificant" aspect and, stressing its own special features, intends to go "its own way."

At the last minute an explanation was issued through ITAR-TASS channels by Konstantin Buravlev, the capital's deputy premier, who noted that this measure was aimed at protecting the property rights of those Muscovites who, for reasons beyond their control, had been unable to acquire [rasporyaditsya] their own securities before 1 July. The Bank for Labor Savings and Credit to the Population will exchange vouchers for certificates against which shares in the capital's privatized enterprises and funds will be issued. The mechanism is different but the essence, it seems, is the same. So the explanation did not explain much. So far, one thing is clear—privatization checks remain valid in Moscow, but people will have to spend far more time to redeem their voucher.

Chernomyrdin Calls for Control on Sale of Land

LD3006162794 Moscow ITAR-TASS in English 1330 GMT 30 Jun 94

[By ITAR-TASS correspondent Gennadiy Yezhov]

[Text] Moscow June 30 TASS—Russian Prime Minister Viktor Chernomyrdin believes the sale of land possessed by private and auctioned enterprises at the first stage immediately after the voucher privatisation should be regulated in each particular case, especially in cities. Chernomyrdin voiced this opinion at a session of the Russian Government in connection with proposals contained in state programme of privatisation of state and municipal enterprises after July 1,1994, which were submitted to the Cabinet of Ministers for approval. It is expected that on Friday, the draft programme will be submitted to the Russian president and the parliament for approval.

The draft programme of post-voucher privatisation presented to the government today by the Russian Vice-Premier and Chairman of the Committee for State Property, Anatoliy Chubays, envisages the sale of land adjoining auctioned and privatised enterprises. In this connection, many critical remarks were made to the draft.

Throughout many years of the extensive development of the Soviet economy many enterprises "built fences" around vast territories, including in cities, using the land with extremely low efficiency. Chernomyrdin suggested to be cautious when automatically handing over facilities located on those lands to their owners. He pointed out that the interests of all city residents should be taken into account as well as general plans for cities' construction and prospects for their development.

On the other hand, Chubays insisted on giving the land into private ownership of its user, which, in his opinion, would promote investments in connection with a sharp increase of the mortgaged value of enterprises after the privatisation of land in their possession.

Chernomyrdin instructed the Committee for State Property, the Ministry of Justice, the Russian Committee for Land and other departments concerned to coordinate their positions on this matter and finalize the post-voucher state programme of privatisation.

Edict on Lifting Export Quotas 'Partially' in Effect

LD3006171194 Moscow INTERFAX in English 1319 GMT 30 Jun 94

[Text] The presidential decree on the abolition of export quotas and licences, signed on May 23, becomes binding as of July 1 but may be only partially in effect for some time.

This was revealed by Andrey Dogayev, deputy minister of the Foreign Economic Relations Ministry, at a conference of regional ministry representatives that opened at the department on Thursday.

He reported that the Cabinet had been presented with a draft decree on preserving quotas and licences in regard to the export of oil and some other strategic commodities. He regards as sensible the retention in 1994 of the quota on oil export for national needs (in January this quota was limited to 25 million tonnes.) Only in such a way, he believes, will it be possible to ensure the planned currency revenues to the federal budget from the export of oil in full.

He also spoke in favor of keeping the system of quotas and licenses intact in regard to other commodities and said that this view was shared by the government as well.

As Interfax has learned, the Cabinet is drafting a number of procedures on how to implement the presidential decree on the abolition of export quotas and licences.

In an earlier interview with Interfax, Dogayev suggested that the decree was more of "an emergency, political nature," and its appearance was prompted by negotiations on Russia's entry into GATT and the Organization for Economic Cooperation and Development as well as by the drafting of an agreement on partnership and cooperation between Russia and the European Union.

New Import Duties To Be Introduced 1 Jul

LD3006114694 Moscow INTERFAX in English 1047 GMT 30 Jun 94

[Text] New import customs duties will be introduced in Russia from July 1. The new import duties will be about 5 percent more than the present ones. Primarily, the new customs duties will affect import of food products (earlier mostly imported without customs duties being imposed), certain kinds of electronic equipment and planes.

In particular, for the first time a 15-percent customs duty will be imposed on imported meat and dairy products, a 10-percent or 15- percent duty on vegetables, a 10-percent duty on sunflower-seed oil and margarine and a 1-percent duty on grain. The import customs duty on white sugar has been increased to 20 percent. Raw tobacco can be imported with no customs duties imposed. However, the customs duty for imported cigarettes will be up to 30 percent. The customs duty on the import of clothes will go up from 15 percent to 25 percent and for shoes from 15 percent to 20 percent. The customs duties for import of house electronic equipment will also go up, for instance for audio tape-recorders from 15 percent to 25 percent (the customs duty for import of video tape-recorders remained 25 percent) and for TV sets from 25 percent to 30 percent (if the screen is less that 42 centimeters wide - 20 percent). The customs duty on automobile imports will be 30 percent instead of the former 25 percent.

No customs duties will be imposed on baby food or medicine or on basic kinds of raw materials produced beyond Russia's borders, for instance, cotton.

Chief of the Tariffs Department of the Russian Ministry for Foreign Economic Relations Aleksandr Daniltsev told Interfax he hoped that the increase in tariffs for the import of white sugar and wool (from 5 percent to 25 percent) would be beneficial for Russian producers since the present level of production of sugar could not satisfy the needs of the country and there was no guarantee that it would soon go up. The quality of wool produced in Russia is still not satisfactory and Russia has to purchase it abroad, Daniltsev said. He added that the Russian industry could not do without importing items for electronic equipment either (the customs duty on them will be increased to 60 percent).

The Russian government planned to introduce the new customs duties on import from March 15. However, this decision was sharply criticized and the government had to delay introduction of new import duties.

The government also decided to propose a number of measures for decreasing some import tariffs. The Ministry for Foreign Economic Relations told Interfax that a schedule for gradual decrease primarily in those customs duties which were exceeding 30 percent of the price of imported goods established by the customs office must be worked out not later than the third quarter of 1994.

Official Reports on Diamond, Gold Reserves

LD2906190294 Moscow ITAR-TASS in English 1747 GMT 29 Jun 94

[BUSINESS-TASS report]

[Text] Moscow June 29 TASS—Russia sold brilliants worth 680 million U.S. dollars last year and diamonds worth 1.3 billion U.S. dollars, Yevgeniy Bychkov, chairman of the Committee of the Russian Federation for Precious Metals and Stones, told a news conference here on Wednesday.

He explained that almost 100 per cent of diamonds are extracted now in the Republic of Sakha (Yakutia). About 150 tons of gold will be extracted this year, Yevgeniy Bychkov noted.

Speaking of the repository of Russia's gold reserve the chairman of the Russian Committee for Precious Metals and Stones said that the Russian Fort Knox is located "far from Moscow in a settlement". He did not elaborate.

Estimate of Gold Reserves Questioned

MK3006074094 Moscow SEGODNYA in Russian 30 Jun 94 p 2

[Yuriy Golotyuk, Mikhail Leontyev report under the "Treasures" rubric: "State Committee for Precious Metals Hopes There Is Enough Gold To Last for 10 Years"]

[Text] Yevgeniy Bychkov, chairman of the Russian Federation State Committee for Precious Metals, said at a news conference yesterday that the process of liberalizing the precious metals trade in Russia is already taking on entirely clear outlines: currently a total of 25 Russian banks have been chosen that will be authorized to engage in such operations. In the near future the list may by increased by 50 percent. In fact, the banks have already started buying gold: at least two of them—Promstroybank and Vneshtorgbank—have given loans to gold producing enterprises of Maritime Kray and Magadan, the repayment of which will earn the banks around 10 tonnes of gold. According to Mr. Bychkov, the country's gold reserves under development removes the problems regarding gold production from the agenda for the next 10 years.

As for diamonds, their export in 1993 earned the Russian treasury around $2 billion, including $680 million for diamonds and $1.3 billion for uncut diamonds. Nearly all of them were produced in Yakutia (the overall production is still a state secret), while the Urals produces only 100,000 carats a year. Mr. Bychkov said that the diamonds Russia sells on the foreign market on its own tend to be priced higher than those it sells through its chief partner in this area, De Beers: the difference in prices ranges from 13 to 35 percent. According to specialists' estimates, however, Mr. Bychkov's information about the advantages of selling Russian diamonds on "the free market" cannot be considered trustworthy at all because the market is controlled—at least indirectly—by that same De Beers.

As for the childishly optimistic estimates of Russia's gold reserves, Mr. Bychkov is deliberately confusing prospected balance gold reserves with extra-balance ones, that is, reserves whose development is unfeasible. The economic conditions of gold production have changed dramatically, whereas geological survey expenditures of Mr. Bychkov's agency tend toward zero.

Military Issues

Yeltsin 'Satisfied' With Results of Conversion

LD3006163194 Moscow ITAR-TASS in English 1339 GMT 30 Jun 94

[By ITAR-TASS correspondent Tamara Zamyatina]

[Text] Moscow June 30 TASS—"Russia is pressing home its intellectual attack", the Russian President's Spokesman Vyacheslav Kostikov said summing up results of yesterday's visit by Boris Yeltsin to the Soyuz research and production amalgamation outside Moscow.

Addressing a briefing in the Kremlin on Thursday, the spokesman told reporters on Yeltsin's behalf that the president was satisfied with the progress of conversion, which "begins paying political and economic dividends".

As an example of these dividends, Kostikov cited "the idea of dual technologies allowing to use the same invention for manufacturing both military and civilian products". Thus, a technology was developed to recycle rocket fuel subject to destruction into synthetic diamonds superior to natural ones in their qualities.

Another example referred to by the presidential spokesman was the development of new brands of solid rocket fuel not polluting the environment.

Kostikov also praised defence-related enterprises for organizing production of new medicines, mostly for cardiovascular diseases. According to him, the president was inclined to take appropriate measures with a view to protect the Russian market against expansion of costly foreign-made medications and to make factories under conversion competitive on the medicine market.

Aviation Officials Note MiG-29 'Superiority'

LD3006214994 Moscow ITAR-TASS World Service in Russian 1646 GMT 30 Jun 94

[By ITAR-TASS]

[Text] Moscow, 30 Jun—The MiG-29 all-weather fighter aircraft is the Russian aircraft-builders' main trump-card in making progress in international markets. This was confirmed by a press conference in Moscow today of the leaders of the once hush-hush Moscow aviation production association (MAPO).

MAPO's production goes to over 40 countries, and since it has obtained permission to sell its own products the association intends to conquer new markets. The recent contract with Malaysia for the sale of 18 MiG-29 aircraft has produced a "breakthrough" in south-east Asia, and new buyers from this region have begun to arrive "on reconnaissance trips."

In combat training in Sardinia with American F-15, F-16 and F-18 aircraft the MiG-29 showed its superiority over them and the Eurofighter for the year 2000 now being created is already inferior to our MiG. The German

Bundeswehr is equipped with 24 aircraft, and the German side is considering the question of purchasing new ones.

According to Viktor Puzanov, the association's chief engineer, the starting price for a MiG-29 is some $24-25 million, although it is true that he declined to state the price at which Malaysia agreed to buy our aircraft.

In addition to MiGs and their modified versions the association produces the Il-114, T-101, Grach and Aviatika civilian aircraft as well as consumer goods within the framework of conversion. MAPO realizes that it is essential constantly to improve the quality of any product to be competitive. That has been clearly shown by the trade in military fighter aircraft.

MAPO's leaders now admit that they are lagging behind in the provision of services for the buyers of their products, although it is true the first steps have already been taken in this area. A joint Russian-German enterprise to service MiGs has been set up in Germany, and at the meeting today between the Indian prime minister Narasimha Rao and Russia's top leaders an agreement was signed to set up a similar enterprise in India.

Federal Assembly

Duma Asks For 30 Minutes of Prime TV Time Daily

MK0107090094 Moscow KURANTY in Russian 1 Jul 94 p 1

[Article by Tatyana Alekseyeva under the "Scandal" rubric: "The Return of the Prodigal 'Hour'"]

[Text] The State Duma decree on the creation of its own television and radio service, born in pain in May, has reached the All-Russia State Television and Radio Broadcasting Company.

This document merits the attention of the voters, most of whom are also TV viewers. Thus the Duma support staff is to be increased by 49 persons—precisely the number of personnel needed to make a glorious team for the new service. The chief of staff has been instructed to take care of the premises, material-technical and financial support for it (do you also see clouds of banknotes fleeting before your eyes?). The Duma Committee on Information Policy and Communications is supposed to work out a conception (how can you do without it?) for the television and radio service's coverage of the activities of Russia's representative power. It has been recognized as a vital necessity (it is unspecified for whom) to allot air time in the broadcasting schedule of Channel Two for live appearances by Mr. Rybkin himself and representatives of the factions and groups of deputies. The television time allotted for this purpose is 30 minutes daily in the imaginative form of the deputies' choice, be it an interview, dialogue, monologue, a "roundtable" or any other form (nice to know that the people's choices are no stranger to an imaginative approach). Crowning the decree is the point: To ask the Russian Television and Radio Company chiefs to give this extravaganza "a time slot convenient for the population."

Well, since you and I start our days off in the mornings as a rule, and take it easy in the evening, it is this time that the Duma has deemed the most convenient for us. The laurels of the never-to- be-forgotten "Parliamentary Hour" give the deputies no peace. Now they are going rob us of it too. The only hope, which is far from illusory, is for firmness by the chiefs of the All-Russia State Television and Radio Broadcasting Company. We have been told at its press center that the television and radio company considers the present amount of information about the State Duma's work quite sufficient. Should the "Russia" channel need viewer support in this argument, they already have mine.

Text of Decree on TV, Radio Service

PM3006134794 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 94 First Edition p 4

[Decree No. 125-1 of the Russian Federation Federal Assembly State Duma "On the Establishment of a Television and Radio Service for the Russian Federation Federal Assembly State Duma," dated 27 May 1994 and signed by I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma]

[Text] In order to keep the Russian Federation population thoroughly informed of the activity of the Russian Federation's organs of representative power, and also to provide prompt coverage of their work via radio and television, the Russian Federation Federal Assembly State Duma decrees that:

1. A Russian Federation Federal Assembly State Duma Television and Radio Service shall be established with the rights of a department of the State Duma apparatus.

A total of 49 employees shall be approved for the State Duma Television and Radio Service, thus resulting in a corresponding increase in the number of personnel in the State Duma apparatus.

2. The State Duma Television and Radio Service shall be tasked with preparing daily radio and television programs on the activity of the Russian Federation's organs of representative power.

3. The State Duma Council shall be tasked with considering candidates for the post of director of the State Duma Television and Radio Service.

4. The leader of the State Duma apparatus shall be tasked with resolving issues connected with housing the State Duma Television and Radio Service and providing it with material, technical, and financial backup.

5. The State Duma Committee for Information Policy and Communications shall formulate a blueprint for coverage by the State Duma Television and Radio Service of the activity of the Russian Federation organs of representative power.

6. In order to implement Part 2 of Article 100 of the Russian Federation Constitution, it shall be deemed necessary to allocate airtime on the television broadcasting network of the Second Channel—the All-Russia State Television and Radio Broadcasting Company—for direct broadcasts of speeches by the State Duma chairman and representatives of factions and deputies' groups in the State Duma.

7. Television airtime for speeches by representatives of factions and deputies' groups in the State Duma and State Duma committees shall be set at 30 minutes of television broadcasting a day (15 minutes a month for representatives of every faction and deputies' group and 10 minutes a month for representatives of every State Duma committee) in a format of their choice: Interview, dialogue, monologue, "round table," or some other format.

8. The leadership of the All-Russia State Television and Radio Broadcasting Company shall be asked to allocate a specific amount of airtime on the television broadcasting network at a time that is convenient for the population.

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma
Moscow
27 May 1994
No. 125-1 SD

Communist Faction Backs Budget Despite Reservations

MK3006090094 Moscow PRAVDA in Russian 28 Jun 94 p 1

["Statement by the Communist Party of the Russian Federation State Duma Faction on the Question of the 1994 Budget"]

[Text] The communists of the State Duma Communist Party of the Russian Federation faction believe that the amended 1994 draft budget submitted by the government does not accord with: 1) the interests of the people and the country; 2) the country's getting out of the crisis; 3) has no clearly defined priorities, and is not aimed at social security for the population and at enhancing the country's defense capability.

The amendments submitted by the State Duma committees on increasing by 5.5 trillion rubles the revenue and expenditure parts of the budget to benefit education, culture, and science have virtually not been accepted by the government. The increase amounted to as little as 1.1 trillion. The most important items of the social sphere are left without financial resources and will be crumbling at a fast pace. Neither has medicine received proper financial support. At the same time, still preserved are excessive outlays to maintain the state apparatus. No measures have been taken to mobilize additional sources of income. The requested sums to be spent on defense and conversion have not been made available.

The Communist Party of the Russian Federation faction expected the government to have revised the distribution of funds within the framework of the main characteristics of the budget as regards the main expenditure items and primarily increase spending on science, education, culture, and defense. This did not happen, however.

Therefore the Communist Party of the Russian Federation faction does not support such a budget and states so in no uncertain terms. But considering that without an approved budget, conditions will be created for a totally arbitrary use of budget funds by the government, which would hurt the social sphere and defense even more, the faction has decided to vote to approve such a budget. It reserves the right to press for making the necessary amendments in the budget in the course of its implementation as well as in the drafting of a 1995 budget, to campaign consistently for greater budget support for science, culture, and education.

Duma Speaker Rybkin Holds Phone-in

PM3006091294 Moscow KOMSOMOLSKAYA PRAVDA in Russian 29 Jun 94 p 2

[Report on KOMSOMOLSKAYA PRAVDA readers' phone-in with Ivan Rybkin, speaker of the Russian Federation State Duma, by Olga Gerasimenko, Aleksandr Gamov, Nikolay Dolgopolov, and Vasiliy Ustyuzhanin; date of phone-in not given: "No Opportunity To Fight It Out With Yeltsin Yet. At Tennis..."]

[Text] For two hours Ivan Rybkin, speaker of the lower chamber of the Russian parliament, answered calls from KOMSOMOLSKAYA PRAVDA readers, leaving his now customary restraint where it belongs—in the Duma.

The first call is from Moscow. On the line is engineer Aleksandr Yartsev.

[Yartsev] Hello, Ivan Petrovich! I learned recently that in the Civil War your grandfather was in the rebel army, while Arkadiy Gaydar, grandfather of Yegor Gaydar, leader of the "Russia's Choice" parliamentary faction, was among those who fought against those very same rebels. Now you and Yegor Timurovich are in the same parliament. How do you work together? Does the "battle of the grandpas" affect your relationship?

[Rybkin] I don't think we have any right today to judge our grandfathers who were on different sides at a critical moment in history. But their life is a lesson, a warning to us: Civil war must not happen again in Russia. Yegor Timurovich Gaydar and I have entirely normal, business-like relations. We often meet and discuss a great many problems—sometimes we have talked for several hours on end. And I can assure you that on many questions we find complete mutual understanding.

[First unidentified caller] Ivan Petrovich, this is Vadik Semenov. I am a student from Moscow. There is an argument among us guys: Russia owes $80 billion abroad. Do we pay it back, or not? What do you think?

[Rybkin] Yes, that figure is on everyone's lips. But for some reason nobody mentions the fact that we are owed $160 billion. A group has now been set up to study this

matter specially. We have called in lawmakers and economists—good, energetic, competent people have been brought in. And they are getting down to work. For instance, Iraq's overdue payments total $4.9 billion. That is 10 trillion rubles [R]. And Iraq is prepared to pay, when the sanctions against it are lifted.

[Semenov] If only in goods....

[Rybkin] Either way. After all, they have oil. We should be bolder about making deals. We were much criticized for signing a contract with Malaysia to deliver MiGs: People said they should not have gone there. But why should anyone tell us where to go and where not to go? Why should we ask anyone? Have we made some agreement on sharing out spheres of influence or markets, or what? Another major deal is proposed. A delegation came to us: The estimates are in the region of $700 million. We must simply trade more boldly. Especially since we do have something to offer.

Some places are asking for payment to be made in the form of mines, pits.... Well, we can do that too. Remember your history: A merchant or entrepreneur has almost always gone ahead of the politicians. At the moment our entrepreneurs are taking $1.5-2 billion out of Russia every month.

[Semenov] Ivan Petrovich, it is said that the new rich have taken 10 billion abroad.

[Rybkin] That is in addition. Just calculate the total. They say to me: Catch them, ban it. But it is better to create economic preconditions such that people would not take money out of here, but bring it in. In our country today, apart from the official, state, and private economy, a shadow, criminal economy has grown up. That is what we should hit. Many countries, the United States included, have taken resolute—sometimes very resolute—steps for that purpose. But the whole of society must be ready for this.

[Second unidentified caller] Esteemed Speaker, I am calling you not only on my own account, but on behalf of the residents of our apartment block not far from the Krasnopresnenskaya subway [Moscow]. Back then, in October, we went through so much.... And we are afraid: Could such events happen again?

[Rybkin] Impossible. Absolutely impossible. And I see no movement in that direction. As for the growth of social tension, of course that can happen. After all, we are gradually encroaching on the sphere of vital interests of certain of our so-called leaders. The fact is that in 1990 and especially 1991 a situation developed such that the interests of the majority of those working at enterprises did not coincide with the interests of those managing the enterprises. Control was weakened. When they received credits they held onto them for four, five, seven months and "put them to work" in commercial structures and banks—subsidiaries which, incidentally, were set up by the enterprises themselves. Then they told the collective: Look, they gave us the credits late, so inflation has already eaten up half of them. And this state of affairs went on for two years. As a result a certain alienation developed between employees and managers. Now we are getting to the bottom of it: Who brought things to the point of bankruptcy, and how? We will certainly get to the bottom of it, in every case on the list. There will be criminal as well as administrative proceedings.

[Morozov] My name is Vladimir Ivanovich Morozov, I was born and raised in Moscow, and I am 83.

[Rybkin] I would never have guessed it: Your voice is young and strong.

[Morozov] Thank you, Ivan Petrovich. My question is this: When will a law be adopted banning pornography? I am thinking of the literature and the movies they show in the motive theaters and on TV. And all that violence, it's terrible!

[Rybkin] The deputies have submitted a draft law on this matter—it is being worked on. In fact there are about 100 draft laws at that stage. You will understand that it has not been easy for us to turn all this round in our five months of existence.

[Morozov] I agree, but hurry your deputies up, give them a nudge. And then there is tobacco and vodka advertising. Who needs it?

[Rybkin] That will have to be looked at again, too.

[Osipov] Osipov calling, Vasiliy Vasiliyevich, war veteran. Please tell me, why has the State Duma not expressed its indignation over the stance of the World War II allies—France, the United States, and Britain? They did not invite the Russian president to take part in the ceremonies in Normandy to mark the 50th anniversary of the opening of the second front [D-Day].

[Rybkin] Your information is not entirely correct. As for the Duma, we spoke out publicly and quite clearly at a plenary session. When I met with the French foreign minister I said to him, in these very words: "Mr. Juppe, if General de Gaulle were to rise from his grave—and you belong to the Gaullist party—I really don't know what he would do to you. Because through your actions you are, to put it mildly, sullying the memory of the great Frenchman, and it does you no credit." I was a soldier myself, I served near Tula in an aviation regiment with men on extended service who had at one time serviced the aircraft of the "Normandiya-Neman" squadron. So it was doubly offensive to me.

[Anikin] This is Aleksandr Anikin from Moscow, I work as a security guard for a commercial firm. Please tell me, how does the State Duma differ from the Supreme Soviet?

[Rybkin] I think by virtue of its greater energy and competence. Today two-thirds of our deputies are aged between 20 and 50—I think that is a very good age—they have a lot of energy and zeal. Twenty-three committees have been formed. The people working there now include

lawyers, doctors of science, sociologists, and representatives of totally new groups that did not exist in the Supreme Soviet before—bankers, businessmen, entrepreneurs.

[Anikin] What is the numerical composition?

[Rybkin] There are 449 people in the Duma today. There is no deputy from Chechnya yet. We have eight factions and two deputies' groups. The biggest faction—76 people—is "Russia's Choice," and the smallest—the Democratic Party of Russia—has 15. The Agrarians and Liberal Democrats have 57 people each, and the Communists 45. There are 53 people in the "New Regional Policy" deputies' group. The "12 December" Liberal Democratic Union, which includes Boris Fedorov, Irina Khakamada, and others, had not many more than 35 at the time of registration; some of them have left now, and they have problems.

I believe the Duma is working intensively on the laws, and the president has already signed and promulgated 11 laws which we have adopted in full, including the budget for the first half-year. Incidentally, the annual budget has also been adopted. Now we are going to tackle the 1995 budget. I mention this particularly, because the country lived without a budget for three years and finances were not in good order.

More than 30 laws have passed their second reading, and these will also soon go to the president for signing, via the Federation Council. There are currently 66 draft laws being worked on, prior to their first reading.

[Garibyan] Samvel Garibyan speaking. I have developed a method whereby you can learn 2,000 foreign words in two weeks. Incidentally, my name is in the Guinness Book of Records. This method could help the Russian-speaking population of the republics of the former USSR to learn the local languages more quickly and overcome a great many problems. Maybe the State Duma could back this work?

[Rybkin] Thank you for the suggestion. Call us at the office. We will study it and talk about it in more detail.

[Orlov] Esteemed Chairman of the State Duma, your caller is a veteran of the Great Patriotic War, doctor of sciences, professor, and major general of aviation, Valentin Georgiyevich Orlov. I want to talk about the gangsterism and violence that prevail in Moscow. On 10 June a relative of mine was almost killed outside his own home. I fought in the Caucasus, I was at the Stalingrad front and Sevastopol, I took part in the liberation of Romania and Bulgaria, I went into the attack 126 times and I was not afraid. Now I am frightened, but mainly I feel impotent against the gangsters. Why are the State Duma deputies conducting what seem to me to be permanent, futile debates on the Russian president's edict on combating gangsterism? For instance, whether you can detain gangsters for 30 days....

[Rybkin] ...I report to you as one soldier to another. The debates under way in the Duma are not futile, there is support for the president's edict, very concrete support. First point: It has been decided to form a working party which will prepare a draft law in support of this edict within days. Second: Two committees—on security and on legislation—together with the General Prosecutor's Office and the Russian MVD [Ministry of Internal Affairs], are drawing up a statute on the application of the edict. You are a military man and you know that is essential. Also, the edict states that it comes into force after such a statute has been drawn up. One more important point. Nobody is opposed to detaining gangsters and criminals for 30 days. You can detain them, you can conduct an investigation. But there is a third aspect—the exercise of justice. And we would not want to allow the innocent to suffer. That is why a "legal path" is being laid by the State Duma in support of the edict. We agreed on this and adopted a decree in the presence of two official representatives of the president.

[Isayev] Ivan Petrovich, I am a fan from Yegoryevsk—my name is Isayev. Excuse me for asking this question: Are you watching the soccer at the moment?

[Rybkin] Just find me someone who isn't watching. Of course I am! And I was devastated, like you. I try to console myself: In sport the strongest wins; but all the same it's a blow. Will the time come when our team once again strikes terror—the fear of the unpredictable—into the hearts of the most illustrious?

[Stepanov] Comrade Speaker...

[Rybkin] What a form of address. I never heard that before.

[Stepanov] Well, you've heard it now. I want to talk about something very important. My name is Stepanov, I'm from Arkhangelsk Oblast. Tell me, is this a coincidence, or was it done deliberately? June 22 is the date the war started, and we, who were not invited to the commemoration of the opening of the second front—on that very day, we join NATO.

[Rybkin] We are not joining anything...

[Stepanov] Didn't Mr. Minister Kozyrev sign an agreement on that?

[Rybkin] We have adhered to the "Partnership for Peace" framework agreement. You can't survive on this planet as a lone wolf. I repeat, we are not joining NATO, but our relations with that organization, as with all other structures, should be built on a civilized basis. Now, after joining this program, that is how it will be.

[Basova] Ivan Petrovich! This is Lyudmila Yakovlevna Basova from Rostov Oblast. I have the impression that we elected the Duma members so that they could solve their own personal problems....

[Rybkin] What rubbish they've been telling you, Lyudmila Yakovlevna! I want you to know: Out of 449 deputies, 311 have no apartments. They all live in the Rossiya and Moskva hotels, or in private apartments.

[Basova] But they have apartments in the place where they live.

[Rybkin] In the Far East, for instance. But they work here, in Moscow. As for other privileges—a deputy is entitled to free travel to his district. And that is all.

[Basova] But they are paid so much! We only get 70,000....

[Rybkin] They get 524,000 a month. But I do not think you can make comparisons now. Why? Because this wage is just enough for the deputy to pay for breakfast, lunch, and dinner—at 15,000 a day. So R450,000 goes on that straight away. Sometimes, at the end of the month, he has no money left to travel back to his family.

[Kulapin] Hello, this is Vasiliy Yuryevich Kulapin from St. Petersburg. I know, Ivan Petrovich, you came to the Duma from the Agrarian-Communist wing. They were the ones who made you chairman of the State Duma, and clearly they hoped you would set up in opposition to the president....

[Rybkin] I must point out to you that the State Duma chairman was elected by a majority of deputies, not just two factions: More than 220 people voted for me.

As for our collaboration with the other branches of power—that is simply essential. I don't suppose that when old Montesquieu wrote about the separation of powers, he had any idea that in the Russian version this separation would go so deep that it would turn into alienation and even enmity. And since I am by nature a dialectician and the ideas of social democracy are not alien to me, I am in favor of the separation of powers and in favor of collaboration between them. And this is not in order to flatter anyone's self-esteem or encourage their ambition, it is for the sake of the cause. And that is why I seek consensus every day. We are not going to find solutions in the squares or at rallies now.

[Brisova] Hello, this is Yuliya Borisovna Brisova, Leningrad [St. Petersburg] city. Good day!

[Rybkin] Hello, Yuliya Borisovna, I hear you.

[Brisova] Ivan Petrovich! I wish you good health. Here is my question: Shumeyko is proposing the idea of putting back the elections of deputies by a further two years. What is your view?

[Rybkin] I can tell you, Yuliya Borisovna, that the president, in reply to a question from Deputy Irina Khakamada on the possibility of postponing the elections, said: The 1996 elections are not to be touched. That is his position. For my part, I think the people are tired of the election marathon—we are always electing, electing. However, before we talk about extending deputies' mandates we have to earn people's confidence—by adopting laws that improve everyone's life, by however little. Both the State Duma and the Federation Council must do some solid work before this question is raised. But in fact the best thing is to operate strictly on the basis of the law and the Constitution.

[Brisova] One more question: When will the [TV] program "600 Seconds" come back? After all, you have to admit that Nevzorov is a talented man.

[Rybkin] I will certainly convey your view to Aleksandr Glebovich [Nevzorov]. As for "600 Seconds," the problem is much more complicated than it appears at first glance. It is also connected with the fact that Aleksandr Glebovich, as a State Duma deputy, spends most of his time here, in Moscow.

[Brisova] So let him take charge of [TV program] "Parliamentary Hour."

[Rybkin] It seems the State Duma will soon have its own studio. And then we will think about it.

[Artemyev] Ivan Petrovich, hello. Nikolay Artemyev, engineer, from Moscow. I would like to know what you think about early presidential elections, and who you would recommend for that post.

[Rybkin] You know, Nikolay, it is, to put it mildly, tactless to talk about that when there is an existing president with two years to go before the elections. It is rather early to think about it, we must work together to drag the country out of the crisis. That is what I am worried about. There is plenty of work for everyone in his place. I think anyone measuring himself up for the post of president today is frankly a politicker or an adventurist.

[Third unidentified caller] Good day, Ivan Petrovich. This is Yelena Anatolyevna. I am a college teacher. I wonder, are you among the group of people close to the president?

[Rybkin] I work with the president daily, sometimes hourly—there are some days like that. So judge for yourself whether I am close to him or not. By virtue of my position I am quite often in touch with Boris Nikolayevich, and with Vladimir Filippovich Shumeyko, and with Viktor Stepanovich Chernomyrdin. We conduct detailed discussions of all problems. Often, much more often than before, we find a common solution. Sometimes we even get together at the weekend—maybe we could discuss other subjects too, but our concerns, Russia's concerns, never leave us.

[Yelena Anatolyevna] Ivan Petrovich, do you play tennis with the president?

[Rybkin] No, I have had no opportunity to fight it out with Boris Nikolayevich at tennis.

[Yelena Anatolyevna] But you do play tennis?

[Rybkin] Yes, I do.

[Fourth unidentified caller] Ivan Petrovich, my name is Aleksey Petrovich, Great Patriotic War veteran. I live alone, my wife is dead. I had savings—R5,000. I buried my wife in 1989, now I have nothing left in my savings book. And I can't work.

[Rybkin] What pension do you have, Aleksey Petrovich?

[Aleksey Petrovich] Eighty thousand. They augmented my savings threefold, making 15,000. But can you call that money, nowadays? How can I live? Who will bury me?

[Rybkin] Under the draft law that has been submitted, we gave permission for these augmented savings to be used to pay for municipal services. In the next few days we are inviting to "government hour" in the Duma the ministers of finance and labor and social protection, specifically to talk about how to make life easier for veterans.

[Fifth unidentified caller] Ivan Petrovich, hello, my name is Sveta, I finish school next year.

[Rybkin] That's nice, my daughter Katerina finished school this year.

[Sveta] This is my question: In your life, have you ever experienced unrequited love?

[Rybkin] No, actually. I fell in love in 1972 and got married immediately. And Albina Nikolayevna and I have been living in love and harmony for more than 22 years. In spades, to use a card-playing term.

[Sveta] That's great. And how do you feel about the civil marriages that are in fashion now?

[Rybkin] When a marriage for love and a civil marriage are the same thing, I personally see absolutely no problem here. But when it is not like that.... Stepan Shchipachev wrote a poem saying that the worst things in the world are to do a job you don't like and to live with a woman you don't love. My wish for you, Sveta, is that you meet someone who you love and who loves you.

Regional Affairs

Buryatia Holds Second Round of Elections

MK3006122094 Moscow NEZAVISIMAYA GAZETA in Russian 30 Jun 94 p 3

[Unattributed NEGA report in the Buryatia column]

[Text] A second round of presidential and parliamentary elections will be held in Buryatia tomorrow. The candidates for the post of head of state are the incumbent Supreme Soviet Chairman Leonid Potapov, and Aleksandr Ivanov, deputy chairman of the Council of Ministers and chairman of the State Economy Committee. In 55 constituencies elections to the republic People's Khural (parliament) will be held. According to preliminary estimates, the main struggle for seats in parliament will unfold between representatives of the Social Justice and For a Decent Life blocs.

Elections Considered Valid

LD3006163694 Moscow ITAR-TASS World Service in Russian 1100 GMT 30 Jun 94

[By ITAR-TASS correspondent Sergey Trofimov]

[Text] Ulan-Ude, 30 Jun—By 1600 local time 36.9 percent of the voters had cast their ballots in the second round of the presidential and parliamentary elections in Buryatia. ITAR-TASS learned about this from the Central Electoral Commission. Because more than one-third of the voters took part in the elections, the first presidential elections in Buryatia can be considered valid, said Nellya Tsygankova, chairman of the commission.

The first round took place on 16 June.

In the second round, Leonid Potapov, chairman of the Supreme Soviet, and Aleksandr Ivanov, chairman of the State Committee for the Economy of the Buryat Republic, are competing for the post of the republican leader. There were four candidates in the first round.

The counting of votes will start at 2200. A candidate needs the majority of just one vote in order to win.

The second round of parliamentary election is also held today in 54 electoral districts of Buryatia. By 1600 local time the elections had taken place in 28 districts.

New President Elected

LD0107054494 Moscow ITAR-TASS in English 0531 GMT 1 Jul 94

[By ITAR-TASS correspondent Sergey Trofimov]

[Text] Ulan-Ude July 1 (TASS)—The first presidential election has been held in the Buryat Republic. Although polling data continue to come in from electoral districts to the Central Electoral Commission, it is already clear that an overwhelming majority of people cast their votes for Buryat Parliament Chief Leonid Potapov. More than a half of the registered voters took part in the polling.

His rival, Aleksandr Ivanov, chairman of the state economic committee of the republic, polled, according to preliminary data, one-third of the number of votes gained by Potapov.

Potapov, 58, a Russian, has command of the Buryat language, a candidate of science (economics), former first secretary of the republican committee of the Communist Party. In 1991 he dropped party membership after he was elected the Buryat Parliament chairman. He is a deputy to Russia's Federation Council.

Verified election results are expected by midday Friday.

Tatarstan Representative Interviewed

PM3006154994 Moscow ROSSIYSKAYA GAZETA in Russian 28 Jun 94 First Edition p 6

[Interview with N.G. Aminov, Tatarstan's plenipotentiary representative in Russia, by Georgiy Yakovlev; place and date not given: "Nail Aminov: 'I Am an Optimist'"]

[Text] Nail Galeyevich Amin, Tatarstan's new plenipotentiary representative in Russia, a 48-year-old trained engineer, graduated from Kazan Chemical Technological Institute and is a candidate of economic sciences. At one time he worked in various enterprises in Bashkiria, and he has

been a minister. His last job was as deputy chairman of the Russian Federation State Committee for Federation and Nationalities Affairs.

[Yakovlev] Nail Galeyevich, why "plenipotentiary"?

[Amin] The mission's rights have been widened, and President Mintimer Sharipovich Shaymiyev of Tatarstan confirmed me. I am directly subordinate to him.

[Yakovlev] What do you consider your chief task to be?

[Amin] The treaty signed between Russia and Tatarstan is an historic document and will, I am sure, be studied by scientists and diplomats. Therefore I see my chief task as implementing that treaty. Many normative documents have to be prepared and approved. There is already an agreement between the governments of Russia and Tatarstan on budget coordination. A further 12 agreements have been discussed between our governments, and it is necessary to regulate mutual contacts in all spheres of economic and cultural life, between ministries and departments.

[Yakovlev] In short, to build bridges where none exist at present.

[Amin] You could put it like that. So my chief task is to represent the republic in those powers which it has given me, granted by the president.

[Yakovlev] Nail Galeyevich, is the treaty, about which much has been reported in the Russian mass media, very voluminous?

[Amin] Yes, it is very multifaceted, and much painstaking work must be done to implement all areas of it. This is a prospect facing many Tatarstan departments, including our mission.

[Yakovlev] What will be your first steps in your new post?

[Amin] This is my second week in this post. But I will endeavor to answer. There are 12 agreements between the Republic of Tatarstan and the Russian Federation, as I have mentioned. The essence of the treaty lies, you know, in the mutual delegating of the powers of Russian and Tatarstan organs of state power. Ministries, departments, and organs of management of the Russian Government must also have normative treaty-based documents with us. For example, on the delimitation of powers in the sphere of foreign economic responsibilities between the governments of the Russian Federation and the Republic of Tatarstan. Some of the agreements already exist, and it is necessary to work on implementing them. And to broaden the spheres of contact between our governments, as stated in the treaty—the chief document.

[Yakovlev] More than 200,000 Tatars are permanently resident in Moscow. What kind of links could there be between the mission and the diaspora?

[Amin] I believe that they will have a cultural and educational thrust.

[Yakovlev] Are you embarking on this work optimistically?

[Amin] Yes, I am an optimist. The climate of understanding and trust that is taking shape between Russia and Tatarstan inspires certainty.

[Yakovlev] Nail Galeyevich, do you have a large family?

[Amin] Very large—a wife and four children, and you must be sure to mention two sons-in-law and three grandchildren.

[Yakovlev] You are a lucky man. Would you like to say something to ROSSIYSKAYA GAZETA's readers?

[Amin] It is a newspaper that people read and respect. I would like our ties to strengthen. Incidentally, you are the first person to interview me.

[Yakovlev] ROSSIYSKAYA GAZETA wishes you success in your new post.

[Amin] Thank you.

Shumeyko Begins Tour of Northern Russia

LD3006095994 Moscow ITAR-TASS in English 0928 GMT 30 Jun 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow June 30 TASS—The problems of navy men and defence enterprises of northern Russia are to become the main topics of discussion during Federation Council Speaker Vladimir Shumeyko's current working tour of the region. The tour began on Thursday.

On the eve of the tour, during which he is to visit Severodvinsk and Severomorsk, Shumeyko told ITAR-TASS on the eve of his departure by air for the area that he intends to "get acquainted with the life of the military and tour enterprises that fill the most-up-to-date defence orders". The famous Sevmash plant—the centre of Russia's nuclear-powered ship building—is meant, first of all.

The Navy is the third armed service Shumeyko has acquainted himself with. Earlier he visited land troops and strategic missile forces.

"The Federation Council is not playing the 'military card'", Shumeyko said. He is of the opinion that when endorsing next year's budget, which is to be prepared by September, one must know clearly what amount and kinds of armaments should be made, proceeding from the purpose and numerical strength of the army". [closing quotation mark as received]

By the beginning of next year, the numerical strength of the armed forces are to be cut down to 1.9 million (as against 2.2 million in January 1994), gradually reduced to 1.5 million, the Federation Council speaker said.

Visits Nuclear-Shipbuilding Town

LD3006193494 Moscow Ostankino Television First Channel Network in Russian 1700 GMT 30 Jun 94

[From the "Novosti" newscast]

[Text] Vladimir Shumeyko, chairman of the upper chamber of the Russian parliament, began familiarizing himself today with the problems of naval personnel and defense enterprises in the country's northern region.

The town of Severodvinsk is the only center in Russia for nuclear shipbuilding. Nuclear submarines for the navy are manufactured only here. State officials have been visiting the town quite often lately.

Federation Council Chairman Vladimir Shumeyko visited Severodvinsk today. Here, as everywhere in Russia, one of the main problems is nonpayments. The debt of the Defense Ministry for the work already done is 230 billion rubles. Enterprises are working for state orders, which to date had been financed by 7 percent only. Conversion does not help in the situation that has emerged. There is no demand, and conversion products are standing idle. Wages are being paid irregularly. Qualified, and often unique, specialists are leaving. The main thing for the fleet is people, a good repairs base, and supplies.

[Begin Shumeyko recording] The main thing at present is to define the state's sufficiency accurately and correctly; in other words, how much one needs to invest not only to prevent losing these high technologies but to develop them further. I think without this the Federation Council will find it very difficult to work with the budget. [end recording]

Shakhray Promises Solution for Far North Supply

PM3006153994 Moscow ROSSIYSKAYA GAZETA in Russian 30 Jun 94 First Edition p 2

[Report by Aleksandr Aleshkin: "Northern Convoys Marking Time"]

[Text] At a press conference yesterday Russian Vice Premier Sergey Shakhray called the situation regarding the shipment of cargo to the North "quite alarming." The government commission he heads has visited 12 Federation components, where it investigated the problems of the provision of vital supplies to 10 million people inhabiting two-thirds of the country's territory.

The usual volume of seasonal shipments in previous years was around 50 million tonnes. This year it will be around 45 million. Consumers have so far received around three-quarters of their petroleum products and coal, half of their food, and only one-fifth of the other goods they need. These percentages seem reasonable, but it has to be remembered that the "high water" in the rivers is already over, the potential for this main type of transportation has been reduced, and the hopes that can be pinned on road and air transport are not great.

There are many reasons for this alarming situation. The vice premier named the most important of them, including finance. Most transport enterprises have been floated and are operating according to the laws of the marketplace—they are demanding prepayment if customers want their services.

But many of these customers are in debt even from last year's sailing season. There is not enough money in the federal coffers—although considerable amounts of funds have been released for these purposes. In this situation the regions in the most favorable position have been those which, without hoping for any centralized funding, have sought and are seeking their own reserves.

The commission, as the vice premier put it, has operated in many cases as if it were a "traveling session of a small soviet of people's commissars," combining market methods and the old, administrative methods. Ultimately it has proved possible to overcome the holdups affecting northbound convoys, and there is hope, Shakhray stated, that it will be basically possible to transport the necessary cargo to the northern regions.

The situation is so serious that, in the vice premier's opinion, it will be necessary to adopt a special law in July to regulate all legal aspects of this long-term and highly important national economic problem.

Grachev Visits North Caucasus Military District

PM3006195194 Moscow KRASNAYA ZVEZDA in Russian 1 Jul 94 p 1

[Report by Vladimir Yermolin and Nikolay Astashkin: "North Caucasus Military District Generally Combat Ready. But It Must Be Strengthened"]

[Text] As KRASNAYA ZVEZDA reported yesterday, Russian Defense Minister Army General Pavel Grachev is paying a working visit to the North Caucasus Military District. An inspection of the district's combat potential was at the center of the defense minister's attention.

On the afternoon of 29 June Army Gen. Pavel Grachev met with generals, officers, and NCO's at the garrison in Rostov-na-Donu. Addressing the audience, he said in particular that the North Caucasus Military District is essentially a "front-line district" today. Thus the minister stressed that the existence of actual conflicts in the region, mainly ethnic conflicts, places the district's servicemen in special conditions—they are a deterrent factor in the North Caucasus. Hence there is a certain specific element to the strengthening and development of the North Caucasus Military District. In this regard Army Gen. Pavel Grachev mentioned the possibility of restructuring the district on the territorial principle. Highly mobile light motorized rifle brigades are being created here now which are capable of operating both autonomously and in collaboration with other units. But on the whole the minister rated the district's combat readiness highly.

In his speech the defense minister also touched on certain aspects of military organizational development at the present time. Speaking about the military reform, he stressed that the reform of the Army is not just a matter for the Defense Ministry, commanders, and servicemen. "The executive and the legislature are reforming us," he said. Hardly anyone doubts the accuracy of these words. Let us recall here that it was the former Supreme Soviet of the Russian Federation which adopted the law which has

meant that the Armed Forces today are unable to draft thousands of healthy young Russian citizens into their ranks.

The situation is no easier regarding the reduction of the Armed Forces either. Discharging tens, hundreds, and thousands of officers into the reserve is a costly business. It is not so much the efforts of the Defense Ministry that are needed here as a well planned system of legal acts and their implementation by the executive organs.

The problems which servicemen of the North Caucasus Military District are encountering are undoubtedly typical of the majority of units in the Russian Federation Armed Forces. The Guards Artillery Regiment of Airborne Troops under the command of Guards Lieutenant Colonel Sergey Guzhbin did not finally settle into its new home—in Anapa—until just recently and is now experiencing the traditional difficulties that face "new settlers." Perhaps that is also why the defense minister chose to visit this unit on 30 June.

In fact the regiment has only moved into barrack accommodation. The officers and NCO's and their families can only dream about apartments for the time being. Nor is there any question of the wives finding jobs. Not even in the long term. It is easy to do the sums which show for all to see that with pay of just 200,000 to 300,000 [rubles] a month the officers and NCO's here will effectively find it impossible to afford anything more than a bunk bed. As for any "light at the end of the tunnel," the general opinion here was expressed by Guards Major Shikhabid Shikhabidov, the regiment's deputy commander for rear services, who said: "There have been lots of promises but no practical assistance to date." Meanwhile the unit has been set some highly complex and responsible tasks. That was why the defense minister held a conference at the regiment to examine ways of helping to resolve the unit's housing problem. The necessary measures have been adopted.

In the afternoon the defense minister left for Stavropol.

Expresses Concern About Returning Troops

LD0107035094 Moscow Radio Rossii Network in Russian 0300 GMT 1 Jul 94

[Text] Russian Defense Minister Pavel Grachev has arrived in the Stavropol region from Anapa where he inspected an airborne unit. The minister said upon arrival at Stavropol airport that the deployment of units arriving from Germany was a very important problem. The North Caucasus military district's fighting efficiency depends on its solution. Our correspondent has reported that Pavel Grachev will hold a meeting with regional administration and then continue the tour of the North Caucasus military district.

Rybkin on 'Largely Meaningless' Visit to Kamchatka

PM3006120394 Moscow IZVESTIYA in Russian 29 Jun 94 p 4

[Report by Yelena Popova: "How Much Did Expedition by 55 Deputies to the Valley of Geysers Cost the Treasury?"]

[Text] Petropavlovsk-Kamchatskiy—"Yesterday Large Russian State Duma Delegation Made Hasty Visit to Kamchatka"—this is how an oblast newspaper headlined a report on the visit by 35 State Duma deputies headed by Ivan Rybkin.

The main task of this largely meaningless event was considered to be a meeting with voters. The "landing party" visited a guided missile carrier, the Institution of Volcanology, a ship building plant, a closed spa, and, naturally, the Valley of Geysers.

The guests apparently liked the cartilaginous fish and geysers, judging by the fact that journalists were left to stew for over two hours waiting for a press conference. The VIP leisure program occupied a fairly large part of the visit to Kamchatka. The visitors carried out an extremely cursory examination of the socioeconomic situation and Kamchatka's problems. Evidently snow on the suburban slopes, a temperature of plus six degrees, and cold rain—in a word, the usual Kamchatka summer—did not predispose them to closer contact.

During the session in the oblast administration the lights went out: Fuel at Petropavlovsk-Kamchatkskiy's thermoelectric power stations has run out. Moreover, no fuel tankers are expected in the near future.

The top-level delegation left Petropavlovsk-Kamchatkskiy, leaving topical questions unanswered and having simply failed to explain why such a mass invasion by deputies was necessary. Incidentally, the cost of an air ticket from Moscow to Petropavlovsk is already over 0.5 million rubles.

The deputies headed by Ivan Rybkin flew for a further meeting with the people in Yuzhno-Sakhalinsk and Vladivostok.

Yeltsin Promises Moscow Farmers Edict on Price Markups

PM0107100194 Moscow SELSKAYA ZHIZN in Russian 1 Jul 94 p 1

[ITAR-TASS report: "Boris Yeltsin Visits 'Borets' Kolkhoz Near Moscow"]

[Text] As part of his Moscow region tour Russian Federation President Boris Yeltsin visited the "Borets" kolkhoz in Ramenskiy Rayon on 29 June.

Boris Yeltsin toured a complex for the production of stock grain crop seed and a base for the repair of the machine and tractor pool and visited a dairy farm. Answering journalists' questions, the Russian president categorically rejected the suggestion that his visit today resurrects the traditions of the stagnant past. He stated that his tour of the kolkhoz has helped him to better familiarize himself both with this specific enterprise and with the problems of agriculture as a whole.

In particular, Boris Yeltsin described as "intolerable" the fact that milk is bought from farms at 200 rubles a liter but retails for 650. "We must rectify this," he stressed. In the

president's view, the Russian consumer can and must be protected from excessive trade markups. This will be done in part with the aid of a presidential edict, but a corresponding law also needs to be adopted.

The president noted that he also discussed this question at his recent meeting with leaders of the Agrarian Party of Russia parliamentary faction. In his view, the meeting went pretty constructively and confirmed that "it is not only possible but necessary to work" with the opposition. "Agriculture's major problems" were discussed, and the president, in his words, assured the Agrarians that he will take personal control of the allocation of financial resources to the agro-industrial complex in the amount stipulated by the state budget.

Construction of Border Crossing Begun With Poland

WS2906131494 Kaliningrad SVOBODNAYA ZONA in Russian 16 Jun 94 p 2

[Report by Viktor Shulepov, department chief of the State Project Institute: "Construction of Gusev-Goldap Border Crossing Inaugurated"]

[Text] The construction of a car border crossing near the Polish town of Goldap (according to the resolution by Russia's State Committee for Customs) has been inaugurated. On the Kaliningrad Oblast side, the crossing is surrounded by a dense forest reserve; the nearest settlement—Plavni—is four kilometers away. The main route will lead to the town of Gusev, therefore the crossing has been called Gusev-Goldap.

The projected two-way traffic capacity will be 1,000 vehicles per day, including 750 cars, 75 buses, and 175 trucks. The border checkpoint will operate round-the-clock all year around. It was projected so as to safeguard normal work conditions for every checkpoint service as well as normal standards for tourists and drivers.

A system of traffic lights and bars will control the flow of cars flexibly. There are also appropriate halting places for vehicles in the process of checking documents and freight. The checking of documents and luggage will be carried out with the help of appropriate modern equipment.

The construction work on the Polish side has been begun earlier, and the first line of the crossing is practically ready there.

Due to an urgent need for organizing freight traffic from Poland through Belarus, the checkpoint, as of April, operates four hours per day; the work hours will be expanded as the new facilities are put in operation. In its organizational aspect, the Goldap-Gusev crossing is subordinated to the customs in Chernyakhovsk.

Construction work will last one year and a half. The project, developed by the Kaliningrad State Project Institute, has been fully approved.

Putting the crossing into operation will be one more step toward lifting the isolation of Kaliningrad Oblast from Russia. The next issue will be a railway building—at the same place and in the same direction.

Ingushetia's Tax Break Seen as Ineffective Gesture

MK3006120094 Moscow KOMMERSANT-DAILY in Russian 30 Jun 94 p 2

[Marat Salimov report: "New Free Economic Zone. Ingushetia Has Become an Offshore Territory for a Year"]

[Text] The tax breaks granted by the government decree "On the Most-Favored Economic Zone on the Territory of Ingushetia" give Ingushetia the status of Russia's first zone exempt from federal taxes. Today, Ingush President Ruslan Aushev is scheduled to arrive in Moscow to discuss with the Russian authorities the prospects for the enhancement of entrepreneurship and matters concerning the return of refugees and forcibly resettled persons.

Both in the Soviet Union and after its breakup, the creation of free economic zones has always pursued primarily political objectives. As a result, free economic zones in Russia do not yield any economic results. This has been confirmed by the Ingush example. The Russian Government decree is aimed at easing the conflict situation in the region by removing the tax press. Practice, however, has shown that legislative methods of straightening out interethnic antagonisms do not succeed. Under the government decree, the most-favored economic zone in Ingushetia will exist from 1 July 1994 to 1 July 1995. At the same time, no more than 15,000 enterprises can be set up on its territory to operate in a privileged environment where they will be exempt from paying taxes to the federal budget. In fact, Ingushetia has been given a tax loan. According to estimates made by Finance Ministry experts, the loan will amount to at least 150 billion rubles in 1994 and 500 billion in 1995.

In legal terms the Russian Government decree is not indisputable (the provision of tax breaks to regions must be approved by the Russian parliament). The question of repaying the tax credit to the budget remains open, however, because Ingushetia is a zone of extremely risky investment, and one should hardly expect that the republican budget will drastically increase its tax revenues. One should note, however, that entrepreneurs from both Russia and CIS countries that have already adapted themselves to post-communist conditions may try to penetrate the offshore zone. But, unfortunately, they will not be able to grab the most savory morsel. From the moment the most-favored economic zone was set up, the registration of commercial banks on Ingush territory will be prohibited.

Given the purely political nature of the government decree on Ingushetia and the Russian authorities' commitment to peaceful settlement of ethnic conflicts, one can expect that similar economic privileges would be also given to Ossetia.

Commentary by Political Department

The creation of offshore zones—a common economic phenomenon in the civilized world—has acquired a clear

political tinge in Russia. A case in point is the first and—until recently—only experience of such kind—the failed "Kalmyk miracle." As long as Kalmykia President Kirsan Ilyumzhinov disbanded soviets and set up a strong vertical line of executive authority in the republic, he was warmly greeted in the Kremlin and was promised all kinds of benefits and backing for any economic undertakings. After October 1993, however, when Ilyumzhinov emerged among the "mutineers," Kalmykia was simply forgotten by the Kremlin. Even the Kalmykia president's much-touted surrendering of the republic's sovereignty did not outweigh his October "misdemeanor" in the eyes of the Moscow authorities.

The political bottom line of the decision on setting up an offshore zone in Ingushetia is also evident. On one hand, Moscow can now hide behind this shield from the critical arrows of Nazran, which has been accusing the center of paying insufficient attention to its needs. At the same time, acting in accordance with the slogan "The Rescue of a Drowning Man Is the Drowning Man's Own Job," the Russian authorities are shifting most of the blame for their own mistakes in the regional economic policy. All the more so because the Ingush themselves also hope that the offshore zone will become a panacea for all their woes. KOMMERSANT-DAILY was told at the Ingush mission in Moscow that the "ages-long aspirations of the Ingush people have been fulfilled" and that this decision was awaited in Ingushetia by "the president and collective farm workers alike." Still, history has shown that views of both presidents and collective farm workers tend to be fairly fickle in our country.

Police Apprehend Soldiers Stealing Grenade Launchers

LD3006100094 Moscow ITAR-TASS in English 0928 GMT 30 Jun 94

[By ITAR-TASS correspondent Vladimir Gondusov]

[Text] Moscow June 30 TASS—Police in the Russian city of Volgograd discovered on Wednesday two soldiers walking along one of the central streets carrying a wrapped-up grenade launcher. The police later uncovered another 13 of the same, which the soldiers had stolen from their regiment's arsenal.

The soldiers' "package" was most similar to a roll of wallpaper or a small carpet, and only the trained eye of a policemen clued the authorities in to the real contents. The grenade-launcher, like the others found buried in a nearby wood, was fresh from the factory, still in its original packaging. The soldiers admitted that they had not yet decided what to do with the military hardware; they had only taken advantage of the opportunity to steal it.

The Volgograd internal affairs department's public relations centre told TASS that the grenade-launchers were uncovered during a large-scale police operation, which also netted a home-made machine gun and some drugs.

International Affairs

Kuchma: Ukraine Should Not Fully Join NPT

LD3006170294 Moscow INTERFAX in English 1529 GMT 30 Jun 94

[Text] Ex-premier and presidential candidate Leonid Kuchma believes that the republic should fulfill the obligations which it undertook in accordance with the tripartite statement of the Ukrainian, American, and Russian presidents on Ukraine's nuclear disarmament.

Speaking at a press conference on Thursday in Kiev, he said that at present Ukraine should not fully join the Nonproliferation Treaty [NPT].

Spokesman Warns Against Halting Nuclear Withdrawal

LD3006193094 Moscow INTERFAX in English 1752 GMT 30 Jun 94

[Text] A senior Ukrainian diplomat told Interfax-Ukraine Thursday that halting the withdrawal of nuclear warheads would lead to negative consequences for Kiev.

His ministry considers that Russia and the U.S.A. are faithfully complying with the trilateral statement on Ukraine's nuclear disarmament.

The diplomat said that Russia had sent two trainloads of heating elements to Ukraine for Ukrainian nuclear stations in exchange for rockets and a third trainload was under preparation.

He said that Ukraine would have security guarantees under the trilateral statement on the condition that it joined the Nuclear Nonproliferation Treaty.

The diplomat said that the Ukrainian Foreign Ministry was working on a multilateral document on security guarantees by the U.S.A., Russia and Britain for Ukraine.

He said that Ukraine wanted to reduce nuclear confrontation; in particular, it wants to stop nuclear tests and destroy weapons.

He went on to say that in response to Ukraine's deactivation of strategic nuclear rockets, which used to be targeted on the U.S.A., the latter had said that since June 30 its rockets were no longer targeted on Ukraine. For this reason, he said, the disarmament process cannot be described as unilateral.

The Ukrainian parliament is scheduled to discuss halting the withdrawal of strategic nuclear weapons from Ukraine, as suggested by the radical nationalist UNA-UNSO organization.

Commission To Discuss Nuclear Arms Withdrawal

LD3006164694 Moscow INTERFAX in English 1319 GMT 30 Jun 94

[Text] The Ukrainian Supreme Soviet's Commission on Defense and National Security will discuss possible suspension of the withdrawal of nuclear weapons from Ukraine during the next two weeks.

A deputy, former commander of the Ukrainian navy, Admiral Boris Kozhin told Interfax-Ukraine that the commission would listen to those leaders responsible for the storage of nuclear weapons and the ensuring of their security as well as representatives of the Ukrainian president's administration. They will inform the commission on implementation of the trilateral statement on nuclear disarmament of Ukraine made by the Ukrainian, Russian and U.S. presidents.

Kozhin said that Ukraine must remain a country possessing nuclear weapons. "We are for disarmament but together with other nuclear states," he stressed.

Kozhin said that the whole process from the production to the utilization of nuclear weapons could be established in Ukraine within several years. Currently warheads from missiles are being withdrawn to Russia. "We must be reliably defended and for this purpose we need nuclear weapons," Kozhin said.

AES Director Views Agreement With U.S. Company

AU3006135194 Kiev HOLOS UKRAYINY in Ukrainian 29 Jun 94 p 3

[Volodymyr Dupak report from Zaporizhzhya: "A $500,000 Grant for the Zaporizhzhya Atomic Electric Power Plant [AES]"]

[Excerpts] **On behalf of the U.S. government, the American Agency for Trade and Development concluded an agreement with the Zaporizhzhya AES on granting it $300,000—charitable assistance—to study a possibility of building a dry-storage facility for spent nuclear fuel. An additional $200,000 will be granted by the American firm "Duke Engineering and Services," which will conduct the studies.** [passage omitted]

Volodymyr Bronnykov, general director of the "Zaporizhzhya AES" production association:

"We are grateful to the American Government, which showed understanding of the problems that confront the Zaporizhzhya AES—Europe's largest atomic plant. The end result will not only be commercially advantageous for domestic consumers of electricity produced by our AES because it is the cheapest in Ukraine, but also for consumers in Western countries.

"We opted for the advanced technology of storing spent nuclear fuel manufactured by the U.S. company "Duke Power." Not just the Zaporizhzhya AES, but also other Ukrainian AES, after they create precisely such systems for

themselves, will be able to safely function for the entire period of their existence. We hope that this technology will be compatible with our plant and will later be adopted by other plants. At present, it is the only type of technology, which has a general license of the U.S. Committee for Nuclear Norms.

The fact that the nuclear-fuel cycle in Ukraine is identical to that in the United States will speed up our adoption of similar methods: When every plant stores its own spent fuel throughout the period of its operation and then passes it to the state for long-term storage. The thing is that we will hardly be able, in the near future, to introduce a system for secondary utilization of nuclear fuel. Today, even such a rich country as the United States does not do this.

The agreement concluded in Zaporizhzhya, if it is put into effect, will make Ukraine's atomic plants safe.

A licensing of work with the public will become an important part of the project. For this, it is necessary to carry out technological licensing in state regulating bodies—the Ministry of Environmental Protection and the State Committee for Atomic Supervision—and show the people of Ukraine, who are not used to living under the protection of law, that the fulfillment of the agreement will raise safety, in a broad meaning of the word. From the point of view of both nuclear radiation and provision of Ukraine with energy.

If we normally cover this entire road, we will be able, in 18 months, to put the first container with spent nuclear fuel for storage.

Kravchuk Criticizes Yeltsin Attitude on Elections

LD3006191994 Moscow INTERFAX in English 1752 GMT 30 Jun 94

[Text] Leonid Kravchuk believes that the Russian President Boris Yeltsin has problems with formulating his attitude to Ukraine's elections.

Asked at a meeting at Kiev's press-club about the support he hopes to receive in the presidential election from President Yeltsin, Kravchuk said that he "understands the problems President Yeltsin has and which I have never had".

President Kravchuk recalled that in October 1993 he supported President Yeltsin, he supported "not the use of force, but steps to foster democracy".

"President Yeltsin then embodied the policy of democracy", President Kravchuk said.

Moroz Meets PRC Ambassador, Discuss Nuclear Issues

LD3006193394 Kiev UT-1 Television Network in Ukrainian 1600 GMT 30 Jun 94

[Text] Ukrainian Supreme Council Chairman Oleksandr Moroz today received Zhang Zhen, ambassador extraordinary and plenipotentiary of the People's Republic of China to Ukraine.

The two discussed the state of and prospects for Ukrainian-Chinese interstate and interparliamentary relations, as well as issues of mutually advantageous economic, scientific and technical cooperation. Both sides noted a dynamic and stable development of trade and economic relations between Ukraine and China, although both sides are convinced that these relations do not correspond as yet to the potential and the level of the two countries' development.

Replying to questions from the PRC ambassador, the head of the Ukrainian parliament set out his vision of the form of government in Ukraine, giving preference to a parliamentary-presidential system of power. He assured the ambassador of the orderliness of our state's foreign policy, including its policy toward Ukraine's non-nuclear status. Other issues of mutual interest were also discussed during the conversation.

National Affairs

Crimean Parliament Threatens Independence Referendum

LD3006140694 Kiev UNIAN in Ukrainian 1215 GMT 30 Jun 94

[Text] Simferopol [no datelined as received]—The Supreme Council of Crimea session on 30 June opened its morning plenary sitting with a debate on the issue of the situation in the Crimean militia in connection with the changes and additions made to the law of Ukraine "on delimiting powers between the state authorities of Ukraine and the Crimean republic."

In his speech, Crimean Internal Affairs Minister Valeriy Kuznetsov requested the deputies to demand from Ukrainian authorities the withdrawal of Ukraine's Interior Ministry brigade functioning in Crimea and "interfering" with the Crimean militia. He also insisted that the law "on the Crimean militia" should be passed as soon as possible.

Some deputies suggested that any talks with the Ukrainian parliamentary delegation should be discontinued until the problem of the militia was resolved. Calls were heard for the moratorium on a referendum to be lifted and members of staff at the Ukrainian Interior Ministry's Crimean Internal Affairs Directorate collegium be made subject to an investigation for "betraying the interests of the republic." Deputy Aleksandr Kruglov called on Simferopol residents in token of solidarity to gather at law enforcement agencies' quarters to protect the Crimean Internal Affairs Ministry.

The Supreme Council of Crimea without discussion passed by 61 votes the resolution "on complying with the constitutional basis of the Crimean republic's statehood." The whole of the Kurultay grouping declined to vote, with Refat Chubarov, the grouping's chairman, arguing that "the grouping is unwilling to take part in actions destabilizing the situation on the peninsula."

The Supreme Council formed an interim commission of deputies to supervise the activity of Crimean internal

affairs agencies. The Crimean republic's government and Supreme Council standing committees for military matters, nation building, legislation, legality, law and order were instructed to draft the law on the Crimean republic's militia within two weeks.

Sergey Tsekov, Supreme Council of Crimea chairman, announced that some deputies would be made members of the Crimean Internal Affairs Ministry collegium. Who exactly it would be would in the very near future be decided by Crimean President Yuriy Meshkov, as this was "his prerogative."

Supreme Council of Crimea deputies issued an address to the Supreme Council of Ukraine, stating, in particular, that, contrary to the agreement reached between the delegations of the Supreme Councils of Crimea and Ukraine not to take any action that could lead to exacerbating mutual relations between Ukraine and Crimea and destabilizing the situation in Crimea, certain Ukrainian departments are continuing to pass unilateral acts in breach of the Crimean republic's constitution and the law "on delimiting powers between the state authorities of Ukraine and the Crimean republic." The Supreme Council demands "immediate cessation of unlawful actions by Ukrainian Interior Ministry bureaucrats on the territory of the Crimean republic." It is proposed that talks between Ukrainian and Crimean parliamentary delegations be continued.

"In the event of further interfering in the Crimean republic's internal affairs, the Supreme Council of Crimea reserves the right to lift the moratorium on holding a Crimean-wide referendum on the status of Crimea as a state," it is said in the address.

Deputies also issued an appeal to the personnel of the Crimean Internal Affairs Ministry.

Crimea Rejects Ukrainian Control of Ministries

LD3006155194

[Editorial Report] Moscow Mayak Radio Network in Russian at 1341 GMT on 30 June broadcasts a short report by Mayak correspondent Vladimir Plotnikov from Simferopol on today's session of the Crimean Supreme Soviet. Plotnikov notes that the Crimean Supreme Soviet declared that Ukrainian President Leonid Kravchuk's decrees transferring the subordination of Crimea's power-wielding ministries does not have the strength of law. These decrees, he says, stated that the Crimean national security administration and ministries of internal affairs and justice should be subordinated not to Crimea but directly to Kiev. He notes that the decrees were signed by Leonid Kravchuk on 18 May and were confirmed a few days ago by the Ukrainian parliament.

Plotnikov goes on to say that Viktor Mezhak, deputy chairman of the Crimean Supreme Soviet, told him: "What we are faced with here is a violation not only of Crimean legislation but also of Ukrainian legislation. And talks are now being held between the parliamentary delegations of Ukraine and Crimea on regulating mutual relations and both sides pledged to refrain from any actions likely to destabilize, as we now express it, the situation around Crimea. Now Ukraine has violated this condition, too. At present it is not clear whether the talks scheduled for tomorrow will be continued."

Plotnikov notes that the dispute over control of the police benefits only the criminals and crime there is rife. In conclusion Plotnikov says: "The deputies also adopted a statement addressed to the Ukrainian Supreme Soviet protesting the illegal actions by the Ukrainian side. And if attempts to stifle the republic do not cease, then the Crimean Supreme Soviet reserves the right to lift the moratorium on the referendum on the status of Crimea".

Second Round of Elections To Take Place 10 Jul

LD3006155794 Moscow INTERFAX in English 1319 GMT 30 Jun 94

[Text] Today the meeting of the Ukrainian Central Election Commission decided to set the second round of the presidential elections in Ukraine for July 10.

In accordance with the law on presidential elections in Ukraine the second round of voting must be held not later than within two weeks after the day of the presidential elections. The first round of the presidential elections took place on June 26.

Incumbent President Leonid Kravchuk and ex-premier Leonid Kuchma are the contenders in the second round of presidential elections. During the first round Kravchuk garnered 37.8 percent of votes and Kuchma - 31.3 percent.

1,079 Candidates for 112 Constituencies in By-Elections

LD3006161794 Kiev UNIAN in Ukrainian 1215 GMT 30 Jun 94

[Text] Kiev [no date as received]—A UNIAN correspondent learned from competent sources that, as of 30 June, 1,079 contenders for people's deputies of Ukraine have been registered in 112 constituencies where by-elections to the Supreme Council will be held on 24 July. The largest number of candidates—22—were registered in Rovno's Kostopolskiy constituency No. 240, and 17 were registered in Sosnovskiy constituency No. 419 of Cherkassy oblast. The least number of candidates—3 in each constituency—were registered in Kiev's Levoberezhnyy constituency No. 9, Sevastopol's Leninskiy constituency No. 45, Zaliznychnyy constituency No. 24, Tsentralnyy constituency No. 27, Yaltinskiy constituency No. 35, and Krasnogvardeyskiy constituency No. 39 in the Republic of Crimea. However, on average throughout Ukraine, there are 8 candidates for every parliamentary mandate. The largest number of constituencies where by-elections will be held are in Kiev (18), Dnepropetrovsk oblast (13), and the Republic of Crimea (10).

Throughout Ukraine as a whole, 83 candidates (8.9 percent) were nominated by parties and the rest by voters and workers' collectives.

Kravchuk: No Equality in Crimean-Ukraine Constitutions

LD3006192494 Moscow INTERFAX in English 1752 GMT 30 Jun 94

[Text] President Leonid Kravchuk of Ukraine said in Kiev today that any attempts by the Crimean authorities to act against Ukrainian law will not be taken into account.

He said that in their relations with Crimea Ukraine's central bodies will stick to the Ukrainian Constitution and laws.

President Kravchuk was responding to an Interfax-Ukraine question concerning the resolution "On the observance of constitutional principles of Crimea's statehood" which the Crimean parliament adopted on June 30.

Kravchuk said that there was no question of the constitutions of Crimea and Ukraine being equal.

Crimea Gives Time To Parliament; Extends Russian TV

MK0107091094 Moscow SEGODNYA in Russian 1 Jul 94 p 4

[Report by Viktor Yadukha from Simferopol under the "Crimea" rubric: "Russian TV Broadcast Time Will Be Extended"]

[Text] The Supreme Soviet Presidium of Crimea has passed a decree on starting "Parliamentary Hour" broadcasts on Crimean television and on extending the time for Russian television broadcasts. From now on, parliamentarians will be provided with prime time on the airwaves from 1900 to 2000 four times a month; during plenary sessions, they will also get half the air time allotted for news broadcasts. Observers believe that in the context of the growing standoff with President Yu. Meshkov, the whole thing is reminiscent of Moscow before last October, where control over television grew to be one of the topics of conflict in arguments between the power branches. At this point, however, as far as is known the presidential side has not reacted to this in any way. As for Russian TV broadcasts, they are transmitted on the same channel together with program three of Ukrainian television, and one can only receive snatches of Moscow programming. The case in point is virtually either to "jam" Ukrainian TV program three or to put Russian TV on another channel.

Parliament Discusses Elections, Crimea

AU3006135894 Kiev HOLOS UKRAYINY in Ukrainian 29 Jun 94 p 1

[Kostyantyn Paryshkura report: "As Always, There Is Much Work"]

[Text]

The 28 June Morning Session

Yet another session of Ukraine's Supreme Council under the chairmanship of [newly elected speaker] O. Moroz has started. The deputies discussed and generally approved the tentative agenda for the period between 28 June and 1 July. It comprises such important issues as the president's criticism of the law "On Altering and Supplementing Ukraine's Law on the Formation of Local Bodies of Power and Self-Government," on the composition of the Supreme Council Auditing Commission for Issues of Privatization, changes and amendments to the Constitution, the bill on local self-government, and so on. The session started by putting on the agenda the questions of withdrawing nuclear weapons from Ukraine and on the results of Ukrainian presidential and local self-government elections. Following that, alterations and supplements to Ukraine's laws "On the Militia" and "On the Division of Powers Among State Power Bodies of Ukraine and the Crimean Republic" were discussed. The deputies stressed the inadmissibility of the situation which has taken shape in the Crimea, where a nonprofessional—retired Army General Kuznetsov—had been appointed as minister of internal affairs. He uses one-third of the numerical strength of the special units "Berkut" to guard President Meshkov and his family, rather than to combat organized crime. It was emphasized that the structure of Ukraine's internal affairs bodies must be integral and must be subordinated to a single authority.

Crimea Adopts Measures To Protect Statehood

LD3006173894 Moscow INTERFAX in English 1529 GMT 30 Jun 94

[Text] On June 30 Crimea's Supreme Soviet adopted a resolution entitled "On Observance of Constitutional Grounds of the Statehood of the Republic of Crimea." In this way the parliament defined the legislative and normative acts of the Ukrainian authorities which contradict Crimea's Constitution or abolish decisions of Crimea's parliament or president as having no legal force and not destined for implementation.

A total of 62 of 98 deputies voted for this resolution.

Deputies of the Crimean parliament also forwarded a statement to Ukraine's Supreme Soviet in which they called for "an immediate end to the illegal actions by employees of Ukraine's Interior Ministry on the territory of Crimea and a continuation of the negotiations between the parliamentary delegations of Ukraine and Crimea."

Crimean deputies declared that "if the Constitution of the Republic of Crimea is further ignored" they retain the right to annul the moratorium on a referendum on Crimea's status.

The statement distributed by the Crimean Tatars faction in the Crimean parliament (14 of 98 deputies) assesses this resolution as "an attempt to legalize the suspension of Ukrainian jurisdiction on Crimean territory." The Tatars believe that this will only deepen contradictions between Crimea and Ukraine and could negatively affect the vital interests of all citizens of Crimea.

Deputy Says Most Crimeans View Selves as Ukrainians

LD3006112894 Kiev UNIAR in Ukrainian 2200 GMT 29 Jun 94

[Text] Kiev, 29 Jun—Borys Kozhyn, people's deputy of Ukraine and former commander of Ukraine's navy, came back recently from a trip to the autonomous republic of Crimea. In an interview with a UNIAR correspondent, the rear admiral noted that rumors being spread by some mass media that the entire population of Crimea wishes to take out Russian citizenship are somewhat exaggerated. "I was in many places, as well as Sevastopol, where around 80 percent of the Crimeans whom I spoke to consider themselves citizens of Ukraine. Only 20 percent, who are chauvinists, wish to join Russia, noted Mr. Kozhyn.

In response to a question why more than 82 percent of the Crimean electorate had voted for Leonid Kuchma, who actively campaigned for a union with Russia, Borys Kozhyn said: "A considerable amount of money was spent on the electoral campaign, particularly in Crimea. If these funds are channeled to promote a specific person, for example, Leonid Kuchma; if the mass media favor circulating pro-Russian ideas; and if these positions are given substance, then the people would really drop the ballot paper with that person's name on it into the ballot box. If Leonid Kravchuk had gone to Crimea, had spoken with the people, made speeches before workers' collectives, and resolved the Crimean events, then I am deeply convinced he would have had many supporters."

Accidents Cited at Nuclear, Electric Plants

LD3006003594 Kiev UNIAN in Ukrainian 1330 GMT 29 Jun 94

[Text] Kharkov Oblast— A fire broke out at Zmiev electric power station in the town of Komsomolskoye on 28 June. The fire began at the power unit transformer and was followed by a rupture of a cooling tank and transformer oil burning on the area of approximately 250 square meters. The fire was extinguished in 30 minutes, and repair work is under way. The output capacity of the electric power station has been reduced from 990 to 850 megawatts. The fire was probably caused by a short circuit in the transformer coil.

Rovno Oblast— The fourth machine of the second power unit at the Rovno nuclear power station was stopped on 28 June due to overheating of a ball-bearing. As a result, the capacity of this power unit has been reduced by 50 percent. The radiation background has not changed. The cause of the malfunction is being ascertained.

Crimean Harvest Reportedly Worst in 25 Years

LD3006163594 Moscow Ostankino Television First Channel Network in Russian 1100 GMT 30 Jun 94

[From the "Novosti" newscast]

[Text] A severe drought has hit the south of the Ukraine. In the Crimea, where the harvest season has already begun, 12 to 16 quintals of barley is being threshed. This is the worst harvest here in 25 years. Some fields have burned out to such an extent that they are immediately being cultivated to prepare the ground for future winter crops instead of being harvested.

It is now clear that Crimea will yield half of the bread grain this year that it used to harvest during good years. On the other hand, weeds are gathering strength. Farms simply did not have the means to combat them. Because there were not enough mineral fertilizers, the grain is thin, but it now costs as much as an ounce of gold. That is why the mechanical harvesters are trying to clear the crops in time without losses and at the least expense.

Masol Signs Decree Cutting Government Personnel

AU0107101394 Kiev URYADOVYY KURYER in Ukrainian 30 Jun 94 p 1

[Report by the Department of Information on the work of the government and UKRINFORM: "The Government Is Reducing its Apparatus"]

[Text] The decree on the reduction in the Cabinet of Ministers personnel was one of the first documents signed by Ukraine's new prime minister, V.A. Masol. In accordance with the decree, four structural subdivisions in the apparatus have been abolished, and the number of officials in several departments reduced. All together 159 persons, or almost 20 percent of the personnel, have been made redundant.

Belarus

Commission Confirms 10 Jul Runoff Election Date

WS0107092594 Minsk Radio Minsk Network in Belarusian 1600 GMT 30 Jun 94

[Text] Following numerous discussions and consultations, the Central Electoral Commission [CEC] has set a date for the second round of presidential elections—Sunday, 10 July. CEC Chairman Alyaksandr Abramovich reported that several scenarios were taken into consideration, including the organization of elections on a midweek holiday. The Cabinet of Minister, however, explained that any reduction or correction to the work week was outside its competence. Such a resolution can only be adopted by the Supreme Council, and, as is known, the legislature will not be convening any time soon. It was also resolved to address the electorate with an additional explanation that in the event of a disruption of the second round, the organization of a new round will cost the CEC a great amount of money. BELINFORM reports today that publishing houses in the oblast have already begun to print new ballots.

Commission Releases Official 1st Round Election Results

WS0107085494 Minsk Radio Minsk Network in Belarusian 1600 GMT 30 Jun 94

[Report by Ivan Hladki on a news conference held at the Central Electoral Commission in Minsk on 30 June—recorded]

[Excerpt] [passage omitted] The final, official results of the first round of presidential elections were announced to participants in the news conference by the chairman [as heard] of the Electoral Commission, Ivan Likhach. I will give these results in descending order of votes received:

Alyaksandr Lukashenka—44.82 percent;
Vyachaslaw Kebich—17.33 percent;
Zyanon Paznyak—12.82 percent;
Stanislaw Shushkevich—9.91 percent;
Alyaksandr Dubko—5.98 percent;
Vasil Novikaw—4.29 percent.

Thus, as already reported, the second round of elections will be held with the participation of Alyaksandr Lukashenka and Vyachaslaw Kebich. [passage omitted]

Qian Qichen Discusses Relations, Ends Visit

LD0107025794 Moscow ITAR-TASS World Service in Russian 1645 GMT 30 Jun 94

[By Belinform correspondent for TASS]

[Text] Minsk, 30 Jun— The Chinese official delegation led by Qian Qichen, Vice Premier of the State Council and Foreign Minister, completed its two-day visit to Belarus today. One of the main topics discussed during the visit was a visit of China's top political leaders to Belarus at the end of the year. At talks with Vyacheslav Kebich, it was noted that despite quite good and long- standing relations between the peoples of the two states, it was for the first time that the meeting of such high level was being held in Belarus. As Vyacheslav Kebich noted "better late than never," because both countries were interested very much in developing close relations, and first and foremost, economic relations.

In the course of the talks, the sides discussed issues relating to bilateral cooperation between the Republic of Belarus and the People's Republic of China in the near future. On the same day, the Chinese delegation met members of the Presidium of the Supreme Soviet. Vladimir Rusakevich, deputy chairman of the Supreme Soviet, stressed that the Belarusian side attached great importance to cooperation with its partners which is expected to have long-term prospects. Qian Qichen stressed that Belarus had great potential and that China was interested in expanding mutually-beneficial cooperation. He said that members of the delegation - representatives of trade and economic circles - who arrived in Belarus, had held talks with appropriate departments. Speaking about republican problems linked to the elimination of consequences of the Chernobyl disaster, Qian Qichen noted that his country was carrying out scientific research on how to prevent radioactive pollution and that Chinese doctors were prepared to render assistance to Belarus in this field.

The Chinese delegation laid a wreath to the monument on Victory square, and took part in the opening of the Chinese embassy on Berestyanskaya street in the afternoon.

Belarus Looks For New Ways To Cooperate With NATO

LD3006165894 Moscow INTERFAX in English 1319 GMT 30 Jun 94

[Text] Belarusian Defense Minister, General Pavel Kozlovskiy believes that the country may join NATO's Partnership for Peace Program by the end of this year.

In an interview with Interfax he cited the republic's economic problems as reasons why the document's signing had been delayed. "Even the most minimal participation of the republic in the initiative means significant currency contributions," Kozlovskiy remarked. However, he emphasized that the Belarusian Defense and Foreign Ministries were currently searching for alternative forms of interaction with NATO, "forms that will not clash with the republic's course of neutrality and its Constitution."

KGB 'Very Afraid' of Lukashenka Victory

WS0107102794 Minsk RESPUBLIKA in Russian 30 Jun 94 p 3

[Unattributed report: "KGB's Forecast"]

[Text] **RID has learned from an unofficial source that the KGB is very afraid of an acute destabilization of the political situation in Belarus in the event of Alyaksandr Lukashenka's victory in the second round of presidential elections.**

This is connected with promises the candidate made during the election campaign, and particularly, with possible extremes in the battle against crime. As the source has reported, special KGB subunits have received a verbal order to prepare for the introduction of a heightened combat alert immediately after Lukashenka is elected president. **Heightened combat alert means that soldiers can be dispatched to a "hot spot" at any time.** It must be noted that according to a previous plan, special units would also have been put on combat alert if Paznyak or Shushkevich had advanced to the second round with Kebich.

KGB Chief Rejects Lukashenka 'Guidance'

WS0107101994 Minsk Radio Minsk Network in Belarusian 1600 GMT 30 Jun 94

[Text] In his recent public addresses, presidential candidate Alyaksandr Lukashenka has voiced a number of claims with regard to the Belarusian KGB and, in particular, to its chief Henadz Lavitski. A BELINFORM correspondent has asked the KGB chief to comment on Lukashenka's claims.

I have always opposed drawing the KGB into political games and I asked Alyaksandr Ryhoravich [Lukashenka] not to do this, Lavitski stated. The KGB works and should work only in accordance with the law, and it should be subordinated only to the legal bodies of power. According to the Constitution, the KGB, following the presidential elections, will be subordinated directly to the president. There are no legal grounds, however, for the KGB to receive guidance from a presidential candidate, regardless of how respected or formidable he may be.

Moldova

Snegur, Gagauz Leader To Submit Status Law

LD3006173694 Moscow INTERFAX in English 1426 GMT 30 Jun 94

[From the "Presidential Bulletin" feature No. 124 (614): Compiled by Nikolay Zherebtsov, Andrey Petrovskiy; Edited by Vladimir Shishlin]

[Text] President Mircea Snegur and leader of the non-recognized Gagauz Republic Stepan Topal agreed at their meeting in Kishinev on Tuesday that the draft law on special status of the regions mostly populated by Gagauz would be submitted for consideration of the Moldovan parliament only after Kishinev [Chisinau] and Komrat overcame all discord on its disputed provisions.

Press Secretary of the Gagauz Supreme Soviet Vasiliy Neykovchen confirmed in an interview with Interfax that "principal discord" did exist. He said that the delegations had agreed saying that this discord could not be overcome since it concerned several key provisions of the proposed draft law.

"The Gagauz administration considers further work as non- productive since no new compromising moves are expected. If Kishinev does not compromise Komrat will go back to its early position and will be guided by the decisions of the Seventh congress of Gagauz deputies of all levels which took place in May, last year. These decisions provided for strengthening the Gagauz state structures and establishment of a federation or a confederation of republics in Moldova," Neykovchen said.

He said the Gagauz administration believed that there was no need to forces settlement of the Gagauz problem. Neykovchen voiced hope that this autumn Moldova would become a full member of the Council of Europe and the optimum decision not affecting anyone's interests would be found within the scope of this prestigious international forum.

Chairman of the Supreme Soviet of the non-recognized Transdniestrian Republic Grigoriy Marakutsa urged Kishinev to compromise. He said in an exclusive interview with Interfax that Russia and the CSCE permanent mission to Moldova must act more energetically in order to achieve final settlement of the conflict in the region.

"There are two extreme positions and they must be brought closer to each other. We have refused from a completely independent state and we agree to preserve Moldova within the existing foreign borders. We will not claim membership in the UN and international organizations. However, the interior state system of a country must be a subject for discussions and the problem may be settled only if Kishinev compromises," Marakutsa said.

He stressed that the joint statement of the Moldovan and Transdniestrian leaders signed on April 28 had played a positive role. However, afterwards, the talks became more difficult as a result of various interpretations of this document by the Moldovan leadership.

The document clearly said it was necessary to define the state and legal status of the region and to share the powers. However, right after this the Moldovan leadership began interpreting it in different ways which complicates the talks and proves inconsistency of the position of Kishinev, Marakutsa said.

Foreign Trade Deficit Forecast at $240 Million

AU3006183994 Chisinau BASAPRESS in English 2200 GMT 28 Jun 94

[Text] Chisinau BASAPRESS, 28/6/1994—The Moldovan foreign trade deficit has already exceeded $196 million—a figure representing 40 percent of its total foreign trade. Sources from the Ministry of Economy stated to BASAPRESS that in 1993 the Moldovan foreign trade deficit was $141 million, and by the end of 1994, according to the experts' forecasts, will reach $240 million. Experts show that the deterioration of the balance of payments is caused by a substantial decrease in exports accompanied by an increase in imports. According to the statistics from the Direction of Coordination of Foreign Economic Relations and Free Economic Areas by the Ministry of Economy, the exports to Western states totalled $47.3 million over the first five months of the year, while imports amounted to $52 million. The CIS states' share in Moldova's trade

represented 76.6 percent, while trade with the West 23.4 percent. Moldova has commercial relations with 55 states. A proportion of 43 percent of its foreign trade is with Russia, 26.4 percent with Ukraine, 2.9 percent with Belarus, 12.4 percent with Romania, and 3.3 percent with Germany.

Kazakhstan

Derbisov Wants Parliament To Vote for Deficit

LD3006192994 Moscow INTERFAX in English 1752 GMT 30 Jun 94

[Text] Kazakhstan's Finance Minister Yerkeshbai Derbisov called on parliament today to vote for a 20.7 billion tenge budget deficit (4.6 percent of the GDP).

As Kazakhstan's parliament examined an updated version of the budget for 1994 on Thursday, Derbisov said the deficit was one of the requirements for Kazakhstan receiving international credits.

Derbisov said that a considerable share of the deficit will be compensated for by external loans and by issuing securities.

"If we fail to keep that deficit, there will be a crisis, because Kazakhstan does not have resources of its own to compensate for a bigger one," Derbisov said. In that case "structural changes in industries and the economy would be ruled out.

Derbisov said that the budgetary revenue included Russia's payment or $115 million for the use of the Baykonur space site.

Supreme Council Sets Up Reconciliatory Commission

LD2906174394 Almaty Kazakh Radio Network in Kazakh 1400 GMT 29 Jun 94

[Text] Supreme Council deputies today continued discussing a government program. They listened to the report by Orasaly Sabdenov, the chairman of the Committee for Economic Reform. After the discussion they set up the reconciliatory commission for preparing proposals on the discussed subject. The meeting was attended by members of the Cabinet of Ministers, led by the prime minister and some foreign ambassadors.

Crew Chosen for Soyuz TM-19 1 Jul Launch

LD3006202694 Moscow ITAR-TASS World Service in Russian 1440 GMT 30 Jun 94

[By ITAR-TASS correspondent Veronika Romanenkova]

[Text] Leninsk (Cosmodrome Baykonur), 30 Jun—Russian citizen Yuriy Malenchenko and Kazakh citizen Tolgat Musabayev are blasting off from Baykonur tomorrow. The reserve crew—Aleksandr Viktorenko and Yelena Kondakova will stay on earth and prepare for the October launch, together with two European Space Agency astronauts.

In more than four months of the orbital expedition, Yuriy Malenchenko and Tolgat Musabayev will have to carry out a complex program of research and experiments. In particular, they will have—for the first time ever—to patch up the heat insulation covering the station that was damaged during collision with the Soyuz TM-17 space ship. To do this an EVA will be necessary. During the flight elements of the Kazakh national space program, which include a series of bio-technical, geophysical, and technological experiments, will also be carried out.

Late last night a national Kazakh ceremony of blessing was performed at the cosmonauts's settlement.

Academician Interviewed on National Space Program

LD0107091994 Almaty Kazakh Radio Network in Kazakh 0800 GMT 1 Jul 94

[Text] It has already been reported that the Soyuz TM19 spaceship will be launched from Baykonur today. In this context, our correspondent Zhenis Akpanbetov interviewed Academician Omirzak Sultangazin, director of the Kazakh space research institute and vice president of the Kazakh National Academy of Sciences.

[Begin Sultangazin recording] For many years Kazakhstan has not been able fully to participate in space research. Our researchers gained access to the cosmodrome only after we received our independence. Our first cosmonaut flew in space in 1991. [words indistinct]

[Today's cosmonaut] Talgat Musabayev will have a vast program to implement. The Kazakh National Academy of Sciences is very interested in the program because it is our first such program. One of the aims of the program is to monitor the economic aspects of the territory of Kazakhstan, to map the ecological disaster zones. We hope that the results of the flight will be fruitful for our research and industry. [words indistinct]

The second aim is [word indistinct] in the field of technology, for instance, to produce new materials in microgravitation—this program was endorsed by the president of [remainder of recording indistinct]

Tajikistan

Militia Checkpoint Attacked in Dushanbe

LD0107054994 Moscow ITAR-TASS in English 0532 GMT 1 Jul 94

[By ITAR-TASS correspondent Galina Gridneva]

[Text] Dushanbe July 1 (TASS)—An unidentified armed group shelled last night about 12.00 from a grenade launcher a check point of the Tajik Interior Ministry, located in a suburb residential area of Dushanbe. As a result of the bandit attack an Interior Ministry serviceman and a guard were wounded, Colonel Nikolay Madzhar, head of the law and order protection department at the Interior Ministry, told ITAR-TASS. A search for the criminals is going on.

UN Envoy Describes Tehran Talks as 'Success'

LD3006172294 Moscow INTERFAX in English 1420 GMT 30 Jun 94

[From the "Diplomatic Panorama" feature: by correspondents Igor Porshnev, Yevgeniy Terekhov, and others]

[Text] Head of the UN observer team in Tajikistan Liviu Bota has described as a success the latest round of peace talks between the Tajik government and rebel leaders ending in Tehran on June 27.

He spoke of understanding reached on the entire agenda though the two sides had failed to sign a peace agreement because of remaining suspicions.

The government delegation led by Employment Minister Shukurjon Zukhurov has insisted on an immediate ceasefire. However, the opposition team headed by Chairman of the Coordinating Center of Tajikistan's Democratic Organizations in CIS States Otakhon Latifi demanded the release of political prisoners, the lifting on bans against political parties and ensuring freedom of the press before anything else.

Bota hopes that a compromise will be struck and a peace agreement signed at the next round of talks due to start in Islamabad (Pakistan) at the end of next month.

Turkmenistan

President Niyazov Outlines Future

PM3006120694 London THE EUROPEAN in English 1-7 Jul 94 p 5

[Report on interview with Turkmen President Saparmurad Niyazov by Peter Conradi; date not given]

[Text] Ashgabat—His name has replaced that of Lenin on the main street of the capital. A major city and a canal have been called after him. So has the main airport, the largest in central Asia, as well as countless factories and farms.

His words are recorded on banners stretched out across the streets; his heavy-jowled face stares down, like a latter-day Big Brother, from huge portraits on the sides of public buildings and up from the recently introduced manat banknotes. Newspapers carry letters from readers singing his praises and inquiring after his health.

Turkmenistan, most isolated of the 15 republics to emerge from the ashes of the former Soviet Union, is more than just a one-party state. It is a one-man state.

Unchallenged at its helm stands Saparmurad Niyazov. Re-confirmed earlier this year as president until the year 2002 by a 99.9 per cent vote, the former Communist Party leader has established an unparalleled hold over this parched, sparsely-populated land along the northern borders of Iran and Afghanistan.

It is reflected in the name by which he is now widely known—Turkmenbashi: "Chief of the Turkmen", a term rich in historical associations for the one-time desert tribes over which he rules.

For admirers—of whom he has many—Niyazov, 54, is the one man able to harness the impoverished state's huge reserves of gas and oil to turn it into a second Kuwait. "He is like a god on earth," says the driver whom we have been allocated by the presidential apparatus. "Each one of us has a little of Turkmenbashi in our heart."

Critics—of whom there are understandably few, at least publicly—dismiss him as an unreconstructed apparatchik who has assumed dictatorial powers and imposed strict censorship on the press.

"Anyone who has had the temerity to challenge him has either been forced out of the country or co-opted," said one foreign diplomat. They include the former foreign minister, Avdy Kuliyev, who now leads a group of Turkmen opposition exiles at a safe distance in Moscow.

In person, surrounded by sumptuous Turkmen rugs in the former communist headquarters, Niyazov comes across as an amiable man who clearly enjoys his transition from local Communist Party boss to president of an independent state. He is confident of his country's promising future and dismissive of the oft-repeated accusation that he is creating a Stalinesque "cult of personality".

"Are there any political prisons in Turkmenistan?" he asks angrily, ordering a local cameraman to stop filming our interview. "No! Political prisoners? No! Has anyone been arrested for their views? No! Was a court case opened against anyone? No!

"You don't accuse Churchill, De Gaulle or Roosevelt of a cult of personality," he says. "During crises, leaders simply emerge whose policies coincide with the will of the people. Over the past 70 years we have lost the habit of believing in God. We cannot create a new religion or new doctrine from above. We have to create belief in our homeland, in our independence and in our people."

Whether dictator or benign father of his people, Niyazov faces an enormous task in transforming what was one of the most backward regions of the former Soviet Union.

Conquered by the Russians at the end of the last century, Turkmenistan was treated as little more than a colony and provider of raw materials by tsars and commissars alike. Its gas, cotton and oil were sent unprocessed to Russia and a few manufactured goods sent back in return.

Even its famed Akhalteke horses, recently given by Niyazov as presents to John Major and Francois Mitterrand, used to be sold in Moscow, with little of the precious hard currency earned ploughed back into the stud.

Niyazov, who has run Turkmenistan since 1985, has set out to change all that. Much-needed manufacturing industry is being created; new buildings, including a spacious residence for himself, are going up everywhere; an active foreign policy is being pursued.

Symbolic of the grand style in which the government tackles problems is its solution to the shortage of hotel rooms in Ashgabat, which was rebuilt in drab Soviet style after a devastating earthquake in 1948.

More than 20 luxury hotels, in lavish oriental style, are being built next to each other on the edge of town. Most stand empty, waiting for a boom that has yet to happen.

Niyazov is also working hard on bolstering his image with ordinary Turkmen, whose average salary is $10 a month. Food prices are heavily subsidised and domestic energy, water and salt are provided free to his three million subjects.

"In 1997, we will give the population free bread as well," he says. Natural gas is the key to paying for that bread. At present, almost all Turkmenistan's gas is pumped out through a pipeline controlled by Russia, effectively leaving it at Moscow's mercy. An international consortium, spearheaded by Alexander Haig, the former US Secretary of State, plans a new one which would bypass the Russians.

But some observers are sceptical. Niyazov's insistence that the pipeline should go through Iran, a country with which he is determined to pursue friendly relations, threatens to scare off many potential American partners.

Diplomats say foreign investment in other sectors of the economy is also being held back by a lack of guarantees and an almost complete absence of economic reform. The manat, introduced last autumn at two to the dollar as a proud symbol of Turkmenistan's independence, has also collapsed. Now each dollar will buy at least 60 or more.

"It's a Catch-22 situation," said one diplomat. "The government says it wants western investment, but investors won't have any confidence in conditions here until reforms are introduced. But the government does not want to do anything that will loosen its power over the economy."

For now, Niyazov's position is secure. However fanciful the election vote, he does appear genuinely popular, if only because his authoritarian rule has helped spare Turkmenistan the blood-letting which has beset the rest of central Asia.

Nor does his nominally Muslim country face a threat from religious fundamentalism. Although mosques are now being built again, Islam is still weak. However, some of the more educated Turkmen, especially in Ashgabat, are already embarrassed by the adoration granted their leader. A few years hence, if independence does not bring the upswing which everyone takes for granted, that discontent could spread.

"These parks and new buildings are all very well," said one woman. "But it doesn't help me if I don't have any hot water in winter and no medicine for my children."

Niyazov Returns From Turkey in Good Health

LD2906200694 Moscow INTERFAX in English 1519 GMT 29 Jun 94

[From the "Presidential Bulletin" feature]

[Text] Today Turkmen President Saparmurad Niyazov returned to Ashkhabad from Turkey where he was having holidays at a health resort on the invitation of Turkish President Suleyman Demirel from June 21.

The Turkmen president's press service told Interfax that on June 28 Niyazov had been under control medical examination and physicians considered his state as good.

In February 1994 Niyazov was operated on blood vessels of legs in Houston (the USA).

President Interviewed on Relations With Neighbors

LD2906183794

[Editorial Report] Moscow Russian Television Network in Russian at 1415 GMT on 29 June carries the regular 45-minute "Audience" program, produced and presented by N.Kandiashvili, which this week carries a profile of Turkmen President Saparmurad Niyazov. Portions of a recorded interview with Niyazov are interspersed with background material on the history of Turkmenistan and biographic information on Niyazov's life and career.

Opening the interview, Kandiashvili asks about Niyazov's likes and dislikes about being president, to which he replies:

"Both the good and the bad has its price. I like being understood and appreciated by like-minded people and I like to see my ideas coming to life and bringing results. On the whole, I like the intensity of my work. But I am not in a position to be able to select what is good and discard what is bad."

Commenting on Turkmenistan's relations with the former USSR republics, Kandiashvili says that the CIS countries owe Turkmenistan $1.3 billion, mainly for natural gas deliveries. He asks Niyazov what his e going to do about these debts. Niyazov says:

"I think that all the independent states are experiencing economic hardship at the moment. Especially those with political difficulties or interethnic conflicts, like Georgia. I am convinced that the Georgians will eventually solve their problems. But they need time. In such situation it would not be right to impose harsh repayment terms, and we shall not do this. We know it is not possible. We have had talks at governmental level to reschedule the debt as far as we could, to continue to work together and provide natural gas to those people.

"We have also reached agreement with Ukraine. We should not have any complications there. Of course, it is important to observe internationsl rules in economic relations, especially with countries which are in their transitional period of establishing independence. But we understand that we cannot apply rigid terms to a newly independent state and we take consideration of the difficulties and complications faced by each of these republics."

Asked who are his political friends, Niyazov states:

"In politics one cannot just say who is a friend and who is not. I believe that all the CIS heads of state have been constitutionally and legitimately elected and I am very interested in cooperation with them both within the CIS

framework and on a bilateral level as well as in getting to know them personally. One cannot expect to achieve everything one hopes for, but all of them are very interesting people - both as politicians and as persons. And I think many of them are very friendly and it is very interesting to work with them. There are many politicians whom I like. But there is a broad range, and I would not like to single out anyone in particular."

Uzbekistan

Envoy Promotes Eurasian Bloc; Karimov Rejects Idea

MK2906113094 Moscow NEZAVISIMAYA GAZETA in Russian 29 Jun 94 p 3

[Unattributed report under the "NEGA Reports" rubric: "Uzbekistan"]

[Text] Iskaliyev, Kazakhstani ambassador extraordinary and plenipotentiary, has held a news conference at the embassy of the Republic of Kazakhstan to make public the main theses of President Nursultan Nazarbayev's address to the latest Kazakhstani Supreme Soviet session.

The ambassador linked the Kazakhstani president's address itself to the crisis the republic is currently going through. The Kazakhstani leader sees a way out of the difficult economic situation in setting up a Eurasian Union. Nazarbayev has repeatedly proposed the idea of setting up a Eurasian Union for consideration, but Uzbek leaders and many politicians, including both in Kazakhstan itself and Russia, are fearful of economic unification, seeing it as a way to restore the USSR. However, the experience of joint work in the common economic space involving three states—Kazakhstan, Uzbekistan, and Kyrgyzstan—is already a prerequisite for an effective enhancement of economic cooperation. Currently, the leaders of Turkmenistan and Tajikistan are already taking steps to join the three states. The Uzbekistan Government and President Karimov, however, are flatly rejecting the very idea of a Eurasian Union.

Due to its geopolitical situation, Uzbekistan is closed to the Russian and European markets. Still, President Karimov is rejecting an evolution of any structures both within the CIS or the Eurasian Union, thus erecting artificial borders of confrontation with regard to his former kin from the Soviet Union. He confirmed this once again at a recent briefing for chiefs of embassies and those familiar with the situation in the Central Asian region held at the Uzbekistan Foreign Ministry. His reaction was predictable because any recognition of the Kazakhstani leader's ideas would mean that President Karimov's current political clout would be dented, if not lost altogether.

Karimov Appoints New Deputy Prime Minister

LD3006165694 Taskhkent TASHKENTSKAYA PRAVDA in Russian 29 Jun 94 p 1

[Text] Decree by the president of the Republic of Uzbekistan on the appointment of Yu.F. Paygin as deputy prime minister of the Republic of Uzbekistan

Yuriy Fedorovich Paygin is appointed deputy prime minister of the Republic of Uzbekistan.

[Signed] Islam Karimov, president of the Republic of Uzbekistan.
[Dated] Tashkent, 27 June 1994

Armenia

Kurdish Figures Deplore 'Propaganda' on Killing

NC0107061594 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 29 Jun 94

[Text] The vulgarity of the Azerbaijani propaganda machine knows no bounds, Amarike Sardar, president of the Kurdish intellectuals in Armenia, and Sharafe Ashir, the president of the Kurdistan Committee, told the NOYAN TAPAN correspondent.

They said: A report disseminated by the Azerbaijani National Security Ministry Press Service through the KHABAR-SERVICE agency—that Armenian political circles aim to create a purely Armenian population in the Republic, a report that aggravates relations between the Armenians and Kurds—is ill-intentioned calumny and perfidious slander.

Referring to a claim that 15 Kurds were killed following an armed clash between the Armenians and Kurds in Garalar in Araratskiy Rayon in mid-June and that Armenian President Levon Ter-Petrosyan allegedly deployed heavy military hardware in the village and ordered troops to open fire without warning when the situation aggravated, Sardar said: We can only state that no such village exists.

There is no need to stress that such disinformation merely attempts to put a wedge between the fraternal Armenian and Kurdish peoples. This can only be regarded as [word indistinct]. The document is a product of an overdeveloped imagination by the Press Service of the Azerbaijani National Security Ministry, noted Sharafe Ashir.

Gas Shortage Prompts Introduction of Power Saving

NC0107070694 Yerevan Armenia's Radio First Program Network in Armenian 1700 GMT 30 Jun 94

[Text] Because of a sharp fall in incoming natural gas, difficulties have arisen in the supply of gas and power to the Republic's industrial enterprises and power to the population.

The government's press service reported that in accordance with a decision adopted by government staff overseeing the economy, the Republic will switch to the fourth power supply regime [allowing two or more hours of power supply every 24 hours] as of 30 June. The gas supply will be carried out in accordance with the third saving regime. Thus the population will be supplied with two hours of power each day. The gas will be supplied only to bakeries and the Nairit [chemical] and Luys [producing electric bulbs] enterprises. After meeting their demands, the remaining gas will be used to produce power.

Human Rights Groups Cooperate With Azerbaijan, Karabakh

NC2906182594 Yerevan SNARK in English 1346 GMT 29 Jun 94

[Text] Stepanakert, 29 June. (SNARK)—As positive evaluated the activity of Helsinki Civil Assembly (HCA) in Azerbaijan the coordinator of Nagorno-Karabakh Committee "Helsinki Initiative '92" Karen Ohandjanian. In his interview to SNARK he expressed an opinion that Azerbaijan colleagues clearly see the importance of contacts not only with Armenia but also with Nagorno-Karabakh. Established relations would help both groups to solve jointly the issues of war prisoners and hostages exchange, set up relations between the youth organizations, and seek the ways out of long-lasting conflict, noted Mr. Ohandjanian.

At the same time, the head of NKR human rights organization thinks that Azerbaijani HCA has notably politicized its activity which, in his opinion, is the main reason of originating disagreements. Thus, he said, Azerbaijani colleagues still oppose the participance of NKR committee in HCA structure on terms of a national organization. Such a position, observed Mr. Ohandjanian, does not correspond to realities and contradicts the Charter of Helsinki Civil Assembly.

Azerbaijan

Nagorno-Karabakh Opposes Turkish Peacekeepers

LD0107122594 Moscow ITAR-TASS in English 1130 GMT 1 Jul 94

[By ITAR-TASS correspondent Leonid Martirosyan]

[Text] Stepanakert July 1 TASS—The leadership of Nagorno-Karabakh will never agree to the presence of Turkish troops in the zone of conflict as a disengaging force, according to foreign minister of the disputed enclave Arkadiy Gukasyan.

He made the statement on Friday in connection with the upcoming discussion in the Turkish parliament of the issue of sending peace-keepers to the conflict zone.

Gukasyan told TASS that the very discussion of the issue "destabilises the situation in the region and can explode the fragile armistice" which has been lasting for the second month.

Cooperation Agreements Signed During Iran Visit

NC0107071794 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 30 Jun 94

[Text] Azerbaijani President Geydar Aliyev's official visit to Iran is continuing. The head of the Azerbaijani state, the Iranian president, the foreign minister, and other high-ranking officials are discussing issues relating to bilateral cooperation. Cooperation within the ECO [Economic Cooperation Organization], joint use of the Caspian Sea, and the development of economic, technical, trade, and cultural ties are being discussed during these talks.

Ten important documents on bilateral cooperation were signed during the Azerbaijani president's visit to Iran. The sides also agreed that a commission of experts should be set up to broaden the agreements and cooperation achieved. In view of their long historic, cultural, and

religious relations, the two countries have wide-ranging opportunities to promote their cooperation.

Tehran radio reported that one of the principal aims of Azerbaijani President Geydar Aliyev's visit to Tehran is to find concrete ways to end the Karabakh war. Iran has always taken auspicious initiatives for the peaceful and just solution of the Karabakh conflict and has tried to influence the leading countries to help achieve a speedy end to the war. All these were noted during the talks.

Consultations Held With Iranians on Gas Supplies

NC0107072894 Baku TURAN in English 1720 GMT 30 Jun 94

[Text] Baku (June 30) TURAN: Consultations between representatives of Iranian and Azerbaijani state oil companies were held in Tehran within the framework of Geydar Aliyev's visit to Iran.

Issues concerning delivery of diesel fuel from Azerbaijan to Iran, as well as issues of transportation of Iranian gas to Nakhichevan Autonomous republic were discussed .

An agreement of diesel fuel's delivery from Azerbaijan to Iran, totalling 1.6 million tons was signed last autumn. SOCAR's [State Oil Company of Azerbaijan] President Natik Aliyev called it the "document in force" . According to him, Azerbaijan delivered to Iran 500,000 tons of oil in 1994.

At today's talks Azerbaijan proposed installation of a gas pipeline with length 72 kilometres from Iranian town Khoy to Nakhichevan town Dzhulfa. SOCAR proposed to pay by diesel fuel for Iranian gas. The parties have not come to any decision yet on the problem. The final option of the draft will be submitted to Iranian and Azeri presidents on Friday.

TURAN was told by Natik Aliyev, that possibility of conducting the geological and exploration works by SOCAR in southern part of the Caspian Sea at the Iran's order was discussed, the seismological measures and tests of the bottom in particular.

"Issues concerning status of the Caspian Sea and Export oil pipeline will not be the object of the discussions between SOCAR and Iranian Oil Company", noted Natik Aliyev.

Concerning status of the Caspian Sea, Natik Aliyev said that "Azerbaijan has no problems in this respect". Our understanding of the Caspian Sea legal status are in conformity with international laws and precedents. The Caspian Sea is divided into economic zones and Azeri section is under jurisdiction of Azerbaijan, said he. According to him, other countries of the Caspian basin are of the same opinion.

Concerning the negotiations with foreign oil companies Natik Aliyev said that almost all the problems were eliminated during the negotiations in Istanbul. "Soon we will submit to publicity the draft of an agreement and I hope that the contract will be signed in near future", noted President of SOCAR.

State Oil President on Signing Contract With West

NC3006204594 Baku TURAN in English 1721 GMT 30 Jun 94

[Text] Baku (June 30) TURAN—The President of the State Oil Company of Azerbaijan Republic (SOCAR), Natik Aliyev, sees the results of the second round talks concerning joint development of Azerbaijani oil-fields, which were held between the leadership of SOCAR and the consortium of western oil companies in Istanbul from June 6 to 20, as positive.

Naturally several difficulties have arisen during the talks, said Aliyev. The President of SOCAR called the rumours about disagreements in the leadership of Azerbaijan concerning the issue of signing of the contract groundless.

On the question "will the contract be signed by autumn?", Aliyev said: "It will be signed soon or never".

Independent experts, however, think that the parties need one more month to finish off the contract. The source from SOCAR reports that the western companies intensified their conditions and insist on increasing the share of profits from oil selling. According to experts, the intensification of terms by the western companies is connected with political distability in Azerbaijan. Moreover, the issue concerning the route of oil pipeline yet to be settled and this fact prevents quick completion of the talks. Judging by all, the debates around the status of the Caspian Sea and Russia's claims on the share of oil resources exerts influence on the course of the negotiations.

Hesitance in Granting Drilling Rights Explained

NC3006205494 Baku TURAN in English 1721 GMT 30 Jun 94

[Text] Baku (June 30) TURAN—"Development of Azeri and Chirag oil-fields in the Azeri section of the Caspian Sea by the western companies is inexpedient since it can lead to establishment of monopoly of western companies in Azerbaijan", said Deputy Manager of Lukoil-Baku company, Guseyn Aliyev. Lukoil-Baku is the daughter company of the Russian Lukoil company.

"It would have been more advantageous to give western companies only Azeri oil-field", said Aliyev. He said that drawing of western firms in the development of Azeri oil-fields is very useful for improvement of Azerbaijan's oil industry but one has to take into account the interests of Azerbaijan as well.

According to Guseyn Aliyev, the talks of the current leadership of SOCAR with the consortium are not qualified. The main reason is that SOCAR does not have the programme of development of Azerbaijan's oil industry. The representative of Lukoil-Baku said that Azerbaijan

must expand cooperation with Russia in order to use its experience in development of oil-fields.

In November 1993, after the visit of Russia's Minister of Energetics, Yuriy Shafranik, to Baku, Lukoil was joined in the consortium of oil companies dealing with the development of Azeri and Chirag oil-fields. Lukoil's share in the project totalled 10 per cent. The total reserves of Azeri and Chirag oil-fields amount to 530 million tons of oil.

The joint-stock company Lukoil was found on April 5, 1993 by the decree of Russia's government. The company includes more than 70 branches on the CIS and 22 ones abroad. The share of Russian state structures in Lukoil totals 15 per cent.

In 1993 Lukoil extracted 48.8 million tons of oil and 2,225,800 cubic feet of gas, that makes 15 per cent of the whole oil extracted in Russia.

Georgia

Kozyrev, Shevardnadze Discuss Relations

LD0107000794 Moscow ITAR-TASS World Service in Russian 2219 GMT 30 Jun 94

[By GIA correspondent for ITAR-TASS]

[Text] Tbilisi, 1 Jul—Russian Foreign Minister Andrey Kozyrev, who has arrived in Tbilisi, met Eduard Shevardnadze, chairman of the Georgian parliament and head of state, on Thursday evening.

Speaking at a reception in honor of the foreign ministers of the Black Sea economic cooperation (BSEC) countries, the head of the Russian foreign political department welcomed the Black Sea alliance's increasingly vigorous activity. What we started in Turkey, he said, has found successful continuation. The meeting in Tbilisi has become yet another landmark of this cooperation. Andrey Kozyrev fuily agreed with the view voiced by Eduard Shevardnadze at the reception to the effect that BSEC is a promising and necessary instrument for achieving economic integration, closer ties between peoples, good-neighborly relations, fruitful cooperation and political stabilization in that very complicated region.

Touching upon Russian-Georgian relations, the minister noted that Russia's and Georgia's respect for sovereignty and each other's independence is a precondition for a continuation of the historical ties which characterize the two peoples' friendship and brotherhood.

Kozyrev on Abkhazia Peackemaking

LD0107134994 Moscow ITAR-TASS in English 1305 GMT 1 Jul 94

[By Georgian News Agency correspondent for TASS]

[Text] Tbilisi July 1 TASS—Georgian state head Eduard Shevardnadze received visiting Russian Foreign Minister Andrey Kozyrev today for a tete-a-tete meeting and expanded negotiations to discuss the state and development of bilateral relations and the peace-making operation in the Georgian-Abkhazian conflict zone.

The Russian foreign minister told correspondents upon the meeting completion that the consolidation of bilateral relations was discussed in the spirit of the recent Georgian visit of Russian President Boris Yeltsin. This morning Yeltsin telephoned to Tbilisi to inquire about the negotiations and reaffirm the Russian determination to fulfill the agreements reached during his Georgian visit.

Speaking of the Abkhazian settlement, Andrey Kozyrev stressed that the main task is to deploy the Commonwealth peace-makers and ensure the fulfilment of the four-side agreement, including the return of refugees and general normalization of the situation.

He said that the peace-making operation has begun well enough but it is important that the peace-makers abide by the agreement. The minister stressed that the operation will be a success only if the peace-makers remain strictly neutral.

As for the aims of his current visit, the minister wanted to see the progress of the Commonwealth peace-making operation based on the Russian contingent and inquire about the needs of the peace-makers.

On the same day Andrey Kozyrev left for the Georgian-Abkhazian conflict zone to visit the area of deployment of the Russian peace-makers and meet their command.

Abkhaz Militants on Rampage Through Gali Rayon

LD0107082794 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 1 Jul 94

[Text] Abkhaz militants keep persecuting the ethnic Georgian population remaining in Gali Rayon, intending to stop refugees' returning to their homes, notwithstanding peacekeeping operations.

According to the Zugdidi center for securing information about the political settlement of the Abkhazian conflict, a 50-strong group of Abkhaz militants entered the Gali Rayon village of Okinore on 28 June. They burned four houses, wounded two villagers and killed two others.

On the same day, an Abkhaz group burst into the village of Pirveli Akobaia on two lorries. They gathered the ethnic Georgian population remaining in the village, beat them up and tortured them. They also gathered cattle, slaughtered it on the spot and took the meat away.

The information about the events has been reported to the headquarters of the southern zone of peacekeeping forces.

Russian Forces To Begin Patrolling Kodori Gorge Soon

LD3006205394 Moscow ITAR-TASS World Service in Russian 1655 GMT 30 Jun 94

[By ITAR-TASS freelance correspondent Tengiz Pachkoriya]

[Text] Tbilisi, 30 Jun—The process of disengaging the armed formations of the Georgian and Abkhaz sides and their withdrawal from the Inguri River is practically complete. The opposing sides' formations have been withdrawn to beyond the 12-kilometer zone from the Inguri River. A group of television journalists were told this today by Major General Vasiliy Yakushev, commander of the peacekeeping forces in the Georgian-Abkhaz conflict zone, during a visit to Zugdidi, at the headquarters of the southern zone of the peacekeeping operation.

General Yakushev expressed concern at the situation in the Kodori Gorge, where over the past few days there has been firing between Georgian and Abkhaz armed formations. According to him, the peacekeeping forces will begin patrolling the Kodori Gorge in the very near future, although they will not have permanent posts there.

Peacekeeping Commander on Troop Deployments

LD0107082994 Tbilisi Radio Tbilisi Network in Georgian 0700 GMT 1 Jul 94

[Text] Interviewed by journalists at the southern zone headquarters in Zugdidi on 30 June, Major General Vasiliy Yakushev, commander of the peacekeeping troops stationed in the Abkhaz-Georgian conflict zone, said that the process of separation of Abkhaz and Georgian armed units and their withdrawal from the Inguri river area has virtually been completed. The main armed units of the confronting sides were moved beyond the 12-km zone.

Yakushev voiced concern over the current situation in the Kodori Gorge where, in his words, there has been shooting in recent days. We intend to start patrolling the Kodori Gorge soon, although no posts will be stationed there, he said.

Black Sea Region Foreign Ministers Meet in Tbilisi

LD3006120994 Moscow INTERFAX in English 1047 GMT 30 Jun 94

[Text] The fourth meeting of the foreign ministers of member- states of the Economic Union of the Black Sea Basin countries opened in Tbilisi today.

Speaking at the meeting, Georgian leader Eduard Shevardnadze said that the organization had proved its vital competence despite some discord between its member-states.

Russian Foreign Minister Andrey Kozyrev is expected to join the meeting this afternoon.

The Black Sea Economic Union unites Azerbaijan, Albania, Armenia, Bulgaria, Greece, Georgia, Moldova, Russia, Romania, Turkey, and Ukraine.

Greece Calls for Free Navigation

NC3006190694 Athens Elliniki Radhiofonia Radio Network in Greek 1700 GMT 30 Jun 94

[Text] Foreign Minister Karolos Papoulias today called for respect for free navigation in the Bosporus Straits. Papoulias made the call from Tbilisi, where he is representing our country in the conference of the foreign ministers of the Black Sea Cooperation Council. Even though the issue was not on the agenda of the meeting, it was raised with emphasis from Greece and Russia. As is known, Turkey is preparing to implement new regulations regarding navigation in the straits that are in violation of international law.

Papoulias said Greece will closely follow the implementation of new regulations, but did not clarify if the Greek Government intends to take any measures. Papoulias stressed that every relevant regulation should be in accordance with international law and promote trade, marine and general relations between the countries bordering the Black Sea.

Russia described the new regulations as unacceptable and stressed that the Russian ships will ignore them.

On the sidelines of the Black Sea Cooperation Council meeting, Foreign Minister Papoulias had a meeting with Turkish counterpart Hikmet Cetin. After the meeting, Papoulias said they reviewed Greek-Turkish relations and the two sides repeated their determination to overcome difficulties and improve the climate between the two countries.

Foreign Minister Papoulias also met with Georgian President Eduard Shevardnadze in Tbilisi, and expressed to him the Greek Government's desire for the further development of bilateral relations between the two countries in all fields.

Armenia Says Turkish Stance Harms Cooperation

NC0107080394 Yerevan SNARK in English 1720 GMT 30 Jun 94

[Text] Tbilisi, June 30 (SNARK)—The absence of the diplomatic relations between some countries of the Black Sea Collaboration prevents the fruitful works of the new Alliance. Armenian Foreign Minister Vahan Papazyan informed of it SNARK in his interview. He is participating in the foreign ministers' meeting of the Black Sea Basin countries in Tbilisi. As it is known, Turkey, the initiator of this union is still refusing to establish diplomatic relations with Armenia.

At the same time, the minister mentioned that his country will exert every effort to develop this collaboration.

The head of the Armenian diplomacy positively estimated the fact of creating at the meeting working-groups for collaboration in the sphere of science and techniques as well as power engineering and transport.

Russia Anxious Over Turkish Stance

NC0107074194 Yerevan SNARK in English 1720 GMT 30 Jun 94

[Text] Tbilisi, June 30 (SNARK)—Foreign ministers of the countries-members of the Black Sea Basin Economic Cooperation met today in Tbilisi. During the meeting

Russia expressed her anxiety regarding the situation in the Bosporus Strait. She considers inadmissible violation of the International laws on the straits.

According to the information, obtained by SNARK from non-official sources, the Moscow's anxiety is connected with the Turkey's aspiration for establishing her complete control over Bosporus, motivating by her concern for the environment.

Agreement Signed; Meeting Ends

LD3006174394 Moscow ITAR-TASS World Service in Russian 1630 GMT 30 Jun 94

[By GIA-TASS correspondent]

[Text] Tbilisi, 30 Jun—The signing of the agreement on the Black Sea bank for trade and cooperation, a significant contribution to the process of developing Black Sea economic cooperation, has been the most important practical achievement of the Tbilisi meeting, Georgian Foreign Minister Aleksandr Chikvaidze said at a news conference today. It took place immediately after the end of the fourth meeting of foreign ministers from Black Sea economic cooperation member countries.

The minister said the participants in the meeting had decided to set up a working group for power engineering. In addition, they agreed to set up working groups for tourism and science and technology.

In the opinion of the participants, the Tbilisi meeting stands out in that it has made an important step from resolutions toward practical actions, thus giving a new impulse to the development of cooperation at one of the most promising regional organizations capable of fully implementing its potential.

In line with the rotation rules, Greek Foreign Minister Karolos Papoulias is occupying the post of chairman of the organization as of today's date.

Russian Foreign Minister Andrey Kozyrev arrived in Tbilisi this evening.

Turkmenistan Reduces Gas Supply 60 Percent

NC3006153194 Yerevan SNARK in English 1718 GMT 29 Jun 94

[Text] Tbilisi, June 29. (SNARK)—Turkmenistan reduced 60 percent the gas supply to Georgia. Hence, Georgia receives 3 mln. cubic meters of gas instead of the former 6.5 mln. Georgian Gas Department informed of it SNARK today.

Experts consider the main reason of the gas supply reduction is the Georgian debt to Turkmenistan. In present, only Tbilisi Hydro-Electro Station is supplied with gas to produce electricity as well as the Tbilisi residents. The population of Kartly and Kakhety is completely deprived of gas.

Otar Patsatsia, Georgian Prime Minister, declared at the Parliament session on June 28 that 12 billion of the 20-billion credit given by Russia would be used for mazut acquiring and 7 billion - for reconstruction works at the Tbilisi Hydro-Electro Station.

Parliament Approves Cabinet Request for Coupon Issue

LD0107111394 Tbilisi Radio Tbilisi Network in Georgian 0800 GMT 1 Jul 94

[Excerpts] We are going to present a comprehensive report on yesterday's sitting of the Georgian Parliament. Our colleague, Rusudan Oniani will tell the story.

[Oniani] Good morning. A plenary meeting of the Georgian Parliament was held yesterday.

The agenda included the issue of the republic's budget for the second quarter, 1994, several paragraphs of which had been discussed by members of parliament. The Deputy Prime Minister Teimuraz Basilia and Teimuraz Kopaleishvili, the chairman of the parliament's finance and budget commission, spoke about credit emissions of 12 trillion coupons. They pointed out that the emission was an imperative step and there was no other way out.

Eduard Shevardnadze, the chairman of the Georgian Parliament and head of state said that unless a decision on the credit emission was taken, everything would stop. The head of state indicated that the parliament could consider actual possibilities to strengthen the coupon by the end of the year. He also said that the Cabinet of Ministers had prepared papers on controlling salaries and prices and would submit it to parliament in the near future.

The Georgian Parliament passed a resolution yesterday about a credit issue of 12 trillion coupons. A commission was elected to work on stopping the inflation process caused by the credit emission. Parliament instructed the Cabinet of Ministers to present before 1 August a nine-month budget from April through December. The Cabinet was also instructed to consider problems of mountainous regions when making the budget. [passage omitted]

The opposition demanded at the evening sitting that parliament consider the issue of a Russian general imposing a curfew in Zugdidi Rayon. The curfew should have been imposed by the Georgian authorities rather than a Russian general.

Deputy Speaker Vakhtang Rcheulishvili, who chaired the sitting, requested that the radio broadcast of the session were stopped and the sitting declared closed in order to elucidate the issue.

The opposition was against this. Akaki Bobokhidze, a member of the United Republican Party, demanded that organizers of the radio broadcast did not dare stop the relay because a judgement day would come and they, that is, the present opposition, would get supporters of the present authorities executed by firing squad. The sitting went on. It was not stopped. [passage omitted]

According to regulations, yesterday's meeting had to be a concluding one in the spring session of the parliament. No decision has been taken on the issue to have the sittings

continued for another two weeks. Thus, the Georgian Parliament has dismissed itself for the holidays. However, we expect the budget to be considered in the near future at the parliament's extraordinary Session. [passage omitted]

Minister Says 1994 Harvest Depends on State Credits

AU3006103794 Tbilisi SVOBODNAYA GRUZIYA in Russian 23 Jun 94 p 1

[GIA report under rubric "According to Reports From Correspondents and Information Agencies": "The 1994 Harvest Depends on State Credits"]

[Text] Minister of Agriculture Otar Kvesitadze stated at the session of Parliament that more than 90 percent of agricultural facilities would be privatized by the end of 1994.

Speaking of the situation that had taken shape in the branch, Otar Kvesitadze mentioned a multitude of problems that were presenting a threat to the 1994 harvest; first and foremost, the damage to the water supply system and the shortage of fertilizers and equipment. Today, all problems depend on the sum that the government will allocate for the development of agriculture, and even the grape harvest is wholly dependent upon state credits.

Estonia

Experts Say Runway Adequate for Clinton Plane

WS0107082394 Tallinn BNS in English 1528 GMT 30 Jun 94

[Text] Tallinn, June 30, BNS—Many specialists maintain there's no reason why the airplane carrying U.S. President Bill Clinton shouldn't land in the Estonian capital. Estonian Ambassador to the United States Toomas Hendrik Ilves has earlier claimed Riga is the destination of Clinton's upcoming Baltic visit because the runway at the Tallinn airfield is too short.

Priit Joeruut, head of the state-owned Estonian Airports company's marketing department, told BNS the runway at the Tallinn Airport is 2,760 meters in length—250 meters longer than the runway in Riga.

"All planes that land in Riga can land in Tallinn, too," he said. "Besides, the Tallinn airfield was renovated last year and the runway here is in better shape in terms of safety than the one in Riga. The Latvians began an overhaul of their runway only two weeks ago."

Joeruut said he fails to understand the reasons behind the claims that Air Force One cannot land in Tallinn.

MP Hardo Aasmae, a member of the Centrist Party, holds the opinion that Clinton's visit to Riga witnesses the United States' support for Latvia's compliant policies.

"The story that the runway at the Tallinn airport is too short for the president's plane is meant for laymen. I'm sorry that Estonian official circles disseminate this lie to cover up their diplomatic shortcomings," Aasmae told BNS.

Ilves said in an interview with BNS that Clinton first announced his wish to visit the Baltics last September after his meeting with the Estonian, Latvian and Lithuanian presidents in New York. White House officials struck Estonia off the list of destinations after familiarizing themselves with the blueprints of the Tallinn Airport, he claimed.

The official press release says Clinton arrives in Riga at the invitation of Latvian President Guntis Ulmanis and that he also meets there with presidents Lennart Meri of Estonia and Algirdas Brazauskas of Lithuania. Clinton is scheduled to spend only six hours in Riga.

Foreign Minister Completes U.S., Canada Visits

WS0107092094 Tallinn ETA in English 1852 GMT 30 Jun 94

["News Release"]

[Text] Tallinn, June 30—Estonian Foreign Minister Juri Luik completed his official visit to Canada and the United States on Thursday, the Foreign Ministry's press office informed ETA.

On June 27, Luik met his Canadian counterpart Andre Ouellet signing a bilateral business and trade promotion agreement.

On June 29, Luik visited the U.S. State Department to discuss situation prior to Russian troop pullout deadline on August 31. Luik also met Deputy State Secretary Strobe Talbot and members of the Security Committee.

"The fact that Estonia got the possibility to such high-level meetings at such a short notice is a very good sign," Foreign Ministry's spokeswoman Mari-Ann Rikken said.

Majority Favor Backing Down on Border Claims

WS2906112694 Tallinn BNS in English 0945 GMT 29 Jun 94

[Text] Tallinn, June 29, BNS—Only 41 percent of Estonian citizens and 34 percent of the country's whole population, the large Russian-speaking non-citizen community included, insist that the issue of state border with Russia be resolved according to the 1920 Tartu peace treaty, a poll conducted this month by the EMOR agency indicates.

A total 32 percent of citizens and 27 percent of residents favor a compromise likely to mean surrendering to Russia the territories annexed into the Russian Federation after the Soviet takeover, in the 1940s and 1950s.

But a separation line clearly remains as to what part of the territories Russia could keep in its possession. As much as 69 percent of citizens and 67 percent of residents asked in the poll said Estonia should back down on its demand for the strip of land to the east of the river of Narva, currently the borderline between the two countries. Only 17 percent of citizens and 20 percent of the population as a whole said Estonia should also give up the territories to the southeast of the current control line, partly inhabited by ethnic Estonians.

Twenty-two percent of citizens and 33 percent of the population think the current administrative borderline should be given the status of state border.

The territorial dispute between Estonia and Russia remains one of the main stumbling blocks on the way toward full normalization of relations between the countries. Estonia's official position on the issue, also laid down in the country's constitution, practically means claiming from Russia the lands set as Estonian territory in the Tartu peace treaty. Moscow has decisively turned down what it calls territorial claims by Estonia.

Parliament Adopts Law on State Border

LD0107094294 Tallinn Radio Tallinn Network in Estonian 1200 GMT 30 Jun 94

[Text] The law on state border has been adopted by Riigikogu [parliament]. Here is Gunnar Paal reporting.

The Riigikogu adopted the law on state border today and Mart Nutt, the chairman of the constitutional commission, made a presentation on it.

[Begin recording] [Nutt] The law on the state border was adopted today after a rather lengthy discussion, and thereby Estonia got one of the most serious and important laws during its independence. Now Estonia has everything [word indistinct] that concerns the law on the state border. The law establishes a border regime, the concept of the state border, and allows to specify the exact possibilities and ways of protecting the state borders, which will be developed further in the border-guarding law currently under discussion.

[Paal] But the location of the border is subject to negotiations between the states, is it not?

[Nutt] Yes, naturally, one cannot decide on the location of the state border unilaterally, it is defined by international treaties. The Estonian eastern border is defined by Tartu Peace Treaty; the Estonian-Latvian border by agreements between Estonia and Latvia; and the Estonian territorial waters, [words indistinct], like the Estonian sea border, are defined by the law on the sea border.

[Paal] How does the law influence the complicated situation on the Estonian-Russian border?

[Nutt] It cannot regulate it directly because closing the border [words indistinct] different points of view, the law on the state border can lay down only matters related to the demarcation, defense and the guarding of the state border. Bearing in mind the reality of the current situation, the articles concerning the implentation of the law on the state border establish a regime on the existing temporary control line of the kind as it is on a state border. In other words, there is no alternative to documents being checked and the border guarded in locations where it is currently possible.

Republican Faction Withdraws From Pro Patria Party

WS2906112294 Tallinn BNS in English 0945 GMT 29 Jun 94

[Text] Tallinn, June 28, BNS—The Republican faction in the Estonian ruling coalition's senior party, the Pro Patria, announced its secession from the party late on Tuesday.

The decision by the Republicans followed shortly a similar step by the Conservative group in Pro Patria, the coalition party headed by Prime Minister Mart Laar. The Republican leadership at a meeting Tuesday declared the group's activity as part of the Pro Patria ended and decided to formally re-establish the Republican Assembly Party, which existed as a separate political force until the Republicans with four other parties in Estonia set up the Pro Patria in 1992.

The party leadership also suggested that Republican members in the parliament and in local parliaments set up separate factions outside Pro Patria, said Sulev Valner, a Republican leader.

Foreign Minister Juri Luik joined the Pro Patria under the Republicans. His position on the issue of secession from Pro Patria remains unclear so far, as Luik is on a visit to Canada.

Valner in his comments to BNS said the Republicans didn't want to spur Luik, but added that the foreign minister "for sure must make some kind of decision in the near future." Valner also said work was under way in the parliament to set up a separate faction, expected to include 4-5 Republican MPs, three MPs from the Conservative group which quit Pro Patria last week, as well as "a few other members" of the State Assembly.

It was not immediately clear how many members the ruling party will lose with the secession. The Republicans while joining the Pro Patria in 1992 numbered about 200. Valner added that there existed no fear of the Republicans becoming a force in the parliament opposed their former umbrella organization, the Pro Patria. The case is "quite the opposite," he said, as the general positions of both parties remain close.

Leader Denies Withdrawal Violates Statutes

WS0107085694 Tallinn BNS in English 1819 GMT 30 Jun 94

[Text] Tallinn, June 30, BNS—The chairman of the Republican Assembly Party, Sulev Valner, today dismissed accusations by leading Pro Patria officials that the Republican party's secession from Pro Patria had been in contradiction with the party's statutes. Valner said the Pro Patria leadership had first recognized the step on Monday, the day the Republicans made their decision to leave the umbrella party in full body. He said it was strange how the Pro Patria leaders now say Republicans must leave their party by individual application, the Republicans having joined Pro Patria "in corpore" in 1992.

The head of the Pro Patria faction in the parliament, Tiit Sinissaar, and the party's secretary general, Tiit Arge, in a statement Wednesday said the Republicans' secession had contradicted the procedure laid down in the party statutes. Valner today also dismissed claims by Sinissaar and Arge of the Republican meeting having lacked the proper authority to decide on the secession from Pro Patria.

The meeting was competent, according to the party statutes, to make the decision, as more than half of the Republican members who in the course of the past year have participated in the faction's activity were present at the meeting, Valner said. He also said all top Republican leaders except Foreign Minister Juri Luik, on a visit to the United States and Canada, had participated in the meeting late on Monday.

Latvia

Ulmanis Leaves for Vilnius To Discuss Clinton Visit

LD3006104494 Riga Radio Riga Network in Latvian 0900 GMT 30 Jun 94

[Text] State President Guntis Ulmanis left today for a one-day working visit to Lithuania to discuss with Lithuanian President Algirdas Brazauskas in Vilnius the main

issues concerning the expected meeting between U.S. President Bill Clinton and the presidents of the three Baltic states.

It is known that a meeting with the presidents of the Baltic states, Guntis Ulmanis, Lennart Meri, and Algirdas Brazauskas, is scheduled for the U.S. President during his official visit [to Latvia] 6 July. Issues of the Baltic states' unity and correspondence of cooperation between the Baltic states to international standards are expected to be discussed.

According to the information supplied by the government information agency, the U.S. President will also meet with Prime Minister Valdis Birkavs and one of the issues to be discussed will be the withdrawal of the Russian army and the construction of apartments in Russia for the military personnel leaving Latvia using funds provided by the United States. An unofficial meeting with representatives of Latvian intelligentsia and business circles at the Riga Exchange is also scheduled for Bill Clinton.

Several agreements are also being prepared for signing during the visit. According to Iveta (Cers), acting deputy state secretary of the Latvian Ministry of Foreign Affairs for issues of international organizations and foreign trade, Bill Clinton and Valdis Birkavs intend to sign an agreement on trade relations and protection of intellectual property. An agreement prepared for signing provides for most favored nation status and, in certain cases, national [preferential] status.

Saeima To Review Ulmanis Demand on Citizenship Law

WS2906131294 Tallinn BNS in English 1146 GMT 29 Jun 94

[Text] Riga, Jun 29, BNS—The Latvian Saeima's [parliament] presidium decided Wednesday to hand Latvian President Guntis Ulmanis' demand on reconsideration of the citizenship law, passed on June 21, over to the Saeima Juridical Committee and the Human Rights Committee. Ulmanis does it according to the Latvia's Constitution's article No. 71, the Saeima press center told BNS.

The Saeima's presidium ordered the Juridicial Committee to gather and sum up all the proposals concerning the repeated consideration of the citizenship law. The president's demand was sent to all the Saeima factions, and the Saeima deputies who do not belong to any of the factions.

As reported, Ulmanis motivates his demand, that the citizenship law was reconsidered by the Saeima, by saying that in the present form the law fails to set deadlines for consideration of citizenship applications, and accurately define one of the naturalization conditions. Ulmanis also claims that legislators should repeatedly consider the terms of the general naturalization order provided by the 14th article of the law and take into account the recommendations of the Conference on Security and Cooperation in Europe and the Council of Europe.

The controversy of the 14th article stems from the built-in quotas which limit the number of new citizens to 0.1 percent of the body of citizens, or around 2,000 people each year.

Lithuania

Russian Plans for Kaliningrad Flights Protested

LD3006220894 Vilnius Radio Vilnius in Lithuanian 2100 GMT 30 Jun 94

[Text] Lithuania has sent a protest note to Russia concerning Russia's unilateral action in determining the Kaliningrad flight control area as from 1 June.

The protest note, sent today by the Lithuanian Ministry of Foreign Affairs, indicates that such actions taken by Russia run counter to the international practice according to which flight control areas can be determined only by mutual agreement of all interested parties and under full coordination with the council of the International Civil Aviation Authority.

The decision made by Russia caused great concern to the Lithuanian aviation specialists. Kazys Jakas, deputy head of the Lithuanian flight control service, told our correspondent that diarchy in the air space above the Kaliningrad region causes great danger to flight safety.

According to international agreements the Russian Kaliningrad region air space at 6,000 meters belongs to the Lithuanian flight control area. This area is controlled by the flight control service in Vilnius.

Lithuania recognizes Russia's right to control its air space above Kaliningrad region. However, if the boundaries of the flight control area should be changed this first has to be agreed upon by both states.

Draft on Participation in Peacekeeping Submitted

WS0107081994 Tallinn BNS in English 1528 GMT 30 Jun 94

[Text] Vilnius, Jun 30, BNS—A draft law on participation of Lithuanian soldiers in international peacekeeping missions has been submitted to the Lithuanian parliament for consideration.

Lithuania intends to send several dozen soldiers to Croatia in fall together with a Danish peacekeeping corps.

Lithuanian Defense Minister Linas Linkevicius told members of the ruling Lithuanian Democratic Labor Party faction Wednesday that 32 Lithuanian soldiers should start a training program in Denmark in August. According to preliminary estimates, the training will cost around 393,000 lits ($98,000). Lithuania's top daily LIETUVOS RYTAS said it would cost around 5 million U.S. dollars a year to maintain a Baltic peacekeeping battalion.

"If the government does not allocate money, it will be a matter of honor to find it in the pocket of national defense," Linkevicius told the ruling faction.